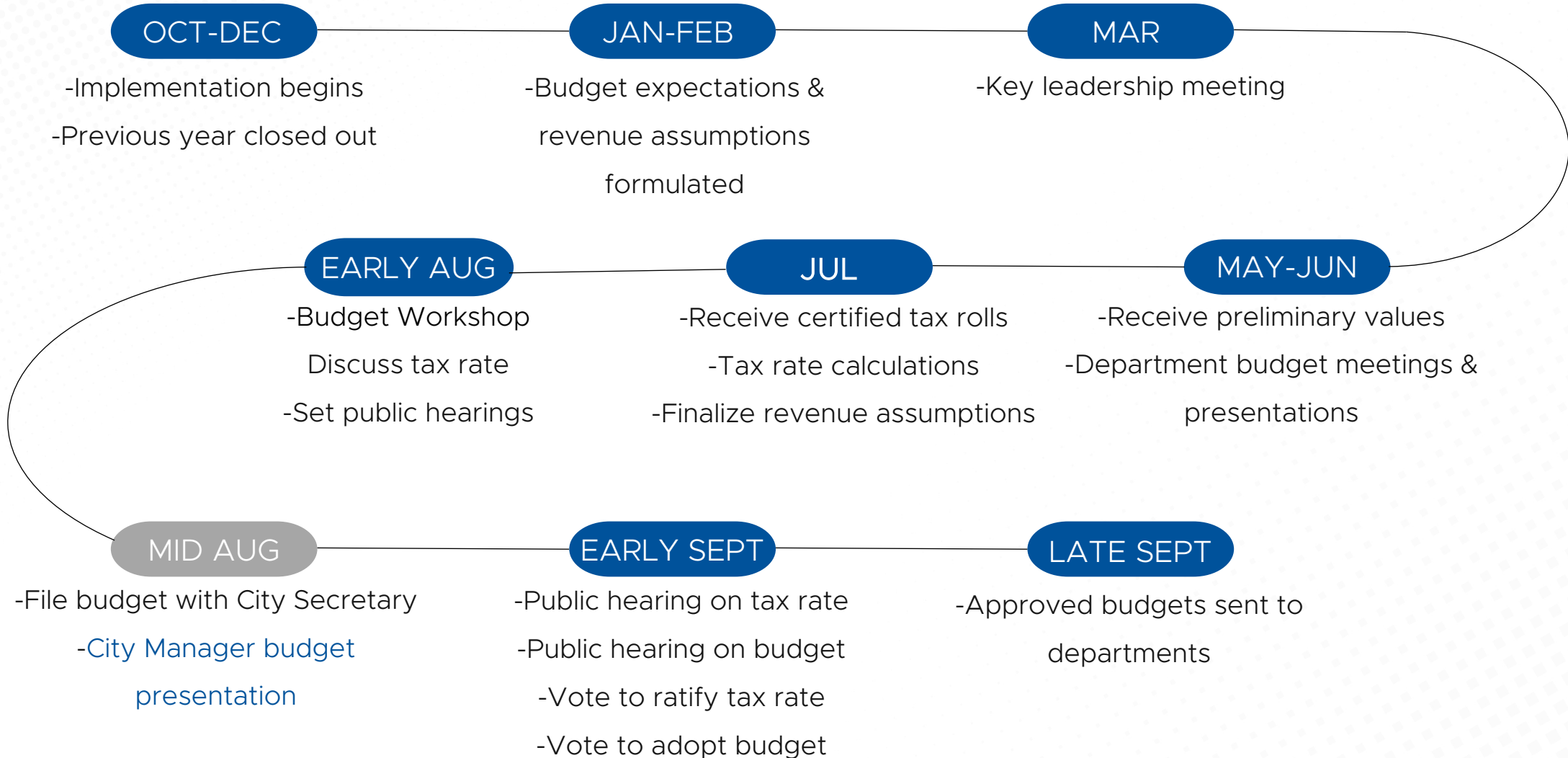


# FY 2024-2025 BUDGET PRESENTATION

August 19<sup>th</sup>, 2024

# BUDGET DEVELOPMENT PROCESS



## IMPORTANT DATES

### PREVIOUS COUNCIL BRIEFINGS:

- June 3<sup>rd</sup>: North Texas Municipal Water District (NTMWD) Annual Report
- June 10<sup>th</sup>: Transportation and Mobility & Information Technology Work Plan, Dallas Area Rapid Transit (DART) Annual Report
- June 17<sup>th</sup>: Water/Wastewater Maintenance & Drainage Utility Program Strategies
- July 8<sup>th</sup>: Streets and Alleys Council Briefing
- July 15<sup>th</sup>: Facilities Services Maintenance & Parks Maintenance Strategies
- July 22<sup>nd</sup>: Golf course renovations and rates
- August 5<sup>th</sup> and 6<sup>th</sup>: Budget Workshop
- August 15<sup>th</sup>: Budget filing

**TODAY:** August 19<sup>th</sup>: Budget Presentation

### UPCOMING:

- September 9<sup>th</sup>: Public Hearing on Tax Rate
- September 16<sup>th</sup>: Public Hearing on Budget and vote to ratify tax increase reflected in the budget, adopt budget and adopt property tax rate for FY 2024-2025

Briefings can be found at: [www.cor.net/government/boards-commissions-meetings/city-council/city-council-regular-meeting-documents](http://www.cor.net/government/boards-commissions-meetings/city-council/city-council-regular-meeting-documents)

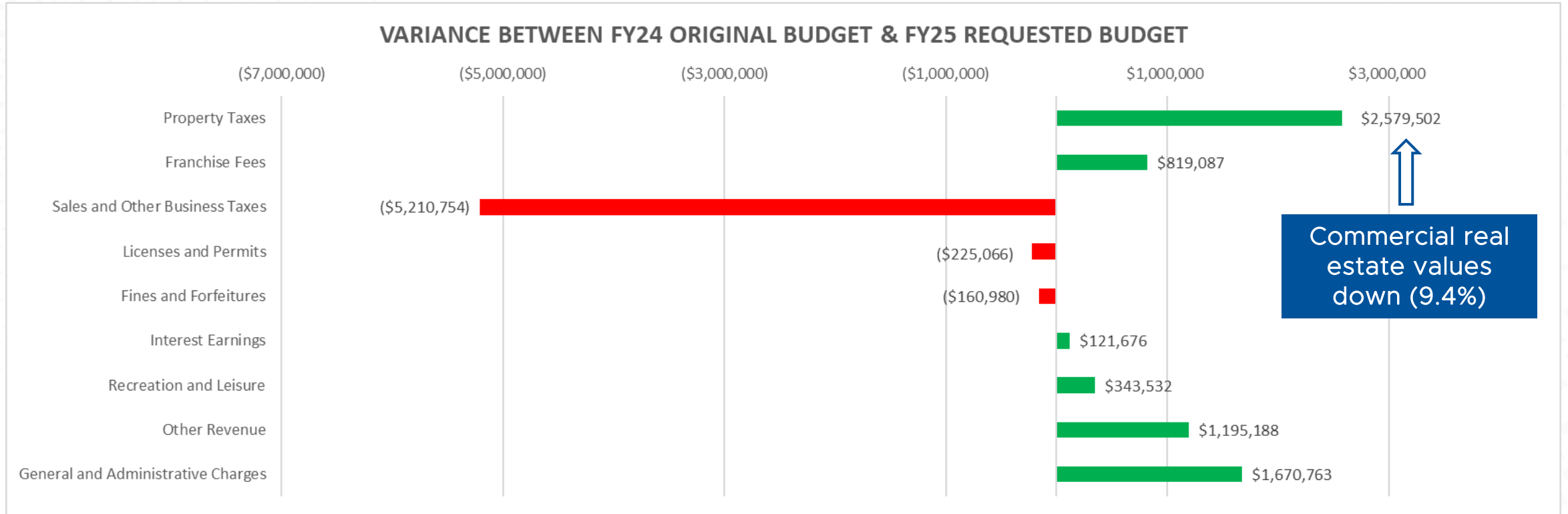
## BUDGET PRESENTATION OVERVIEW

- Economic Factors Impacting Budget Development
- Economic Development Response
- Key Budget Focus Areas
  - Employee Recruitment and Retention
  - Public Safety
  - Infrastructure
  - Economic Development
- General Fund Highlights
  - Tax Rate Discussion
- Other Fund Highlights
- Capital and Debt Planning
- Total Operating Budget
- Final Thoughts



# FACTORS IMPACTING BUDGET DEVELOPMENT

# GENERAL FUND – YEAR OVER YEAR CHANGE IN REVENUES



FY25 revenues are projected to increase **\$1.1 million** to **\$180.7 million** from Prior Year Budget

# ECONOMIC FACTORS IMPACTING REVENUE



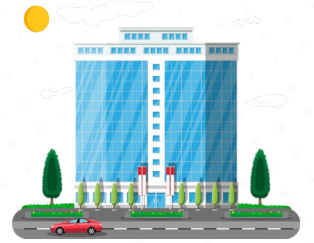
**PERSISTENT  
INFLATION**



**HIGH INTEREST  
RATES**

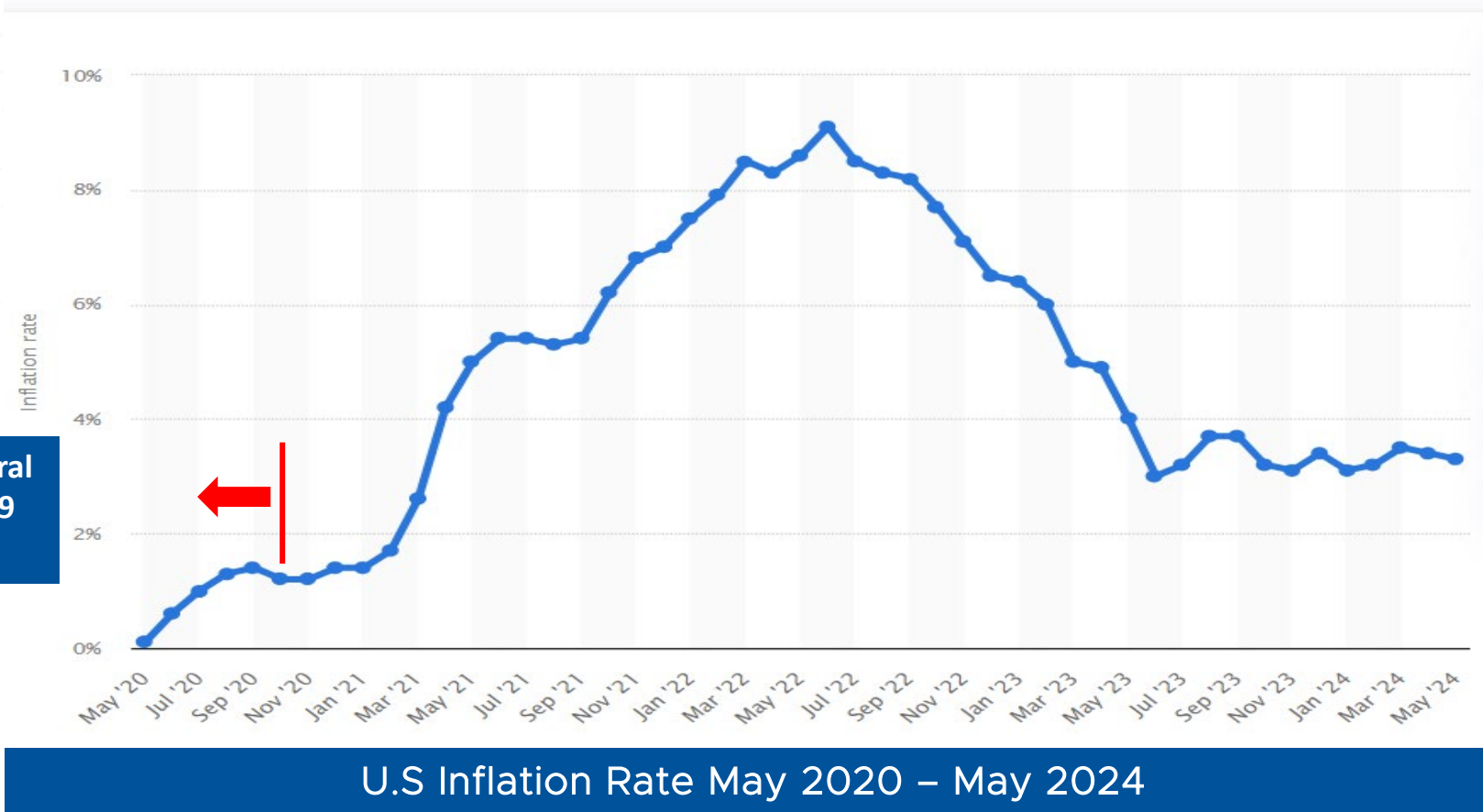


**REDUCED  
BUSINESS &  
CONSUMER  
SPENDING**



**EVOLVING  
OFFICE MARKET**

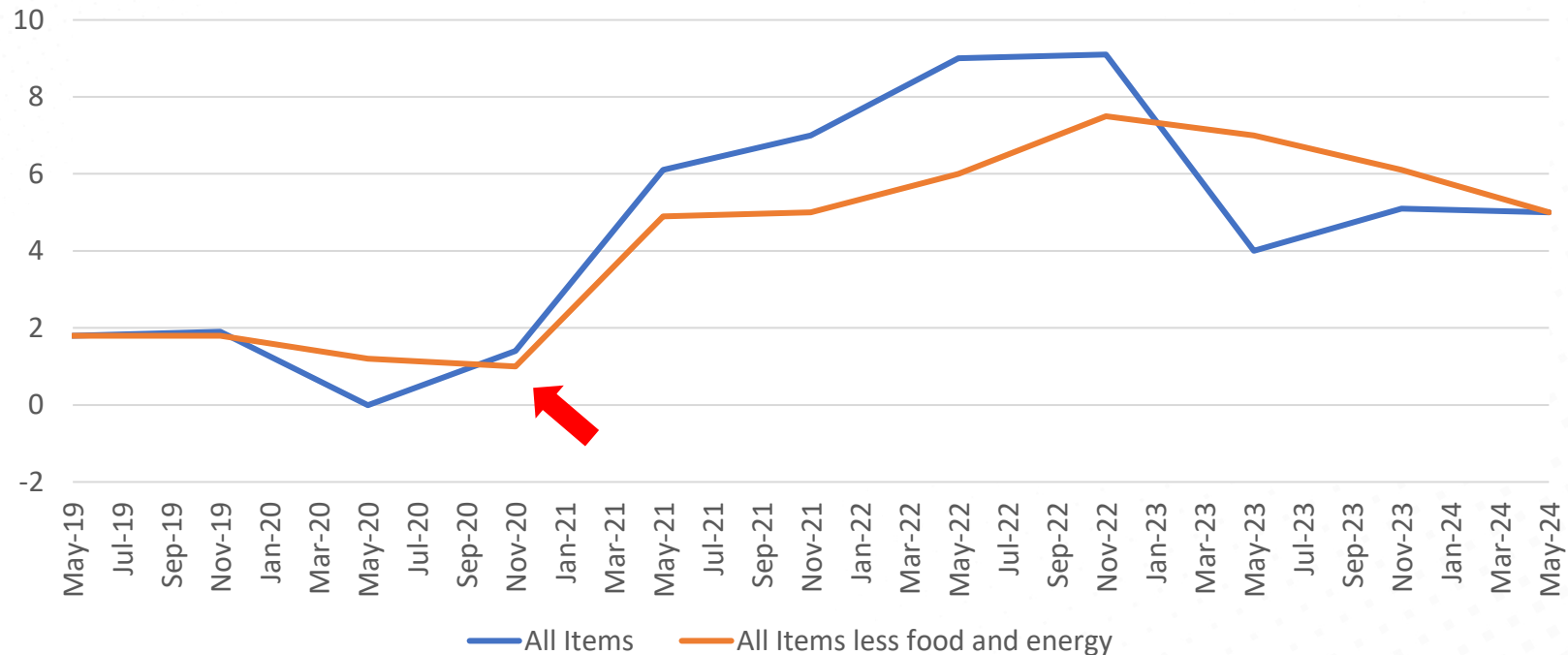
# COVID-19 IMPACT ON INFLATION






# PERSISTENT INFLATION IN NORTH TEXAS

Over-the-year percent change in CPI-U, Dallas-Fort Worth-Arlington May 2019-May 2024  
Source: U.S. Bureau of Labor Statistics



The Consumer Price Index is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services

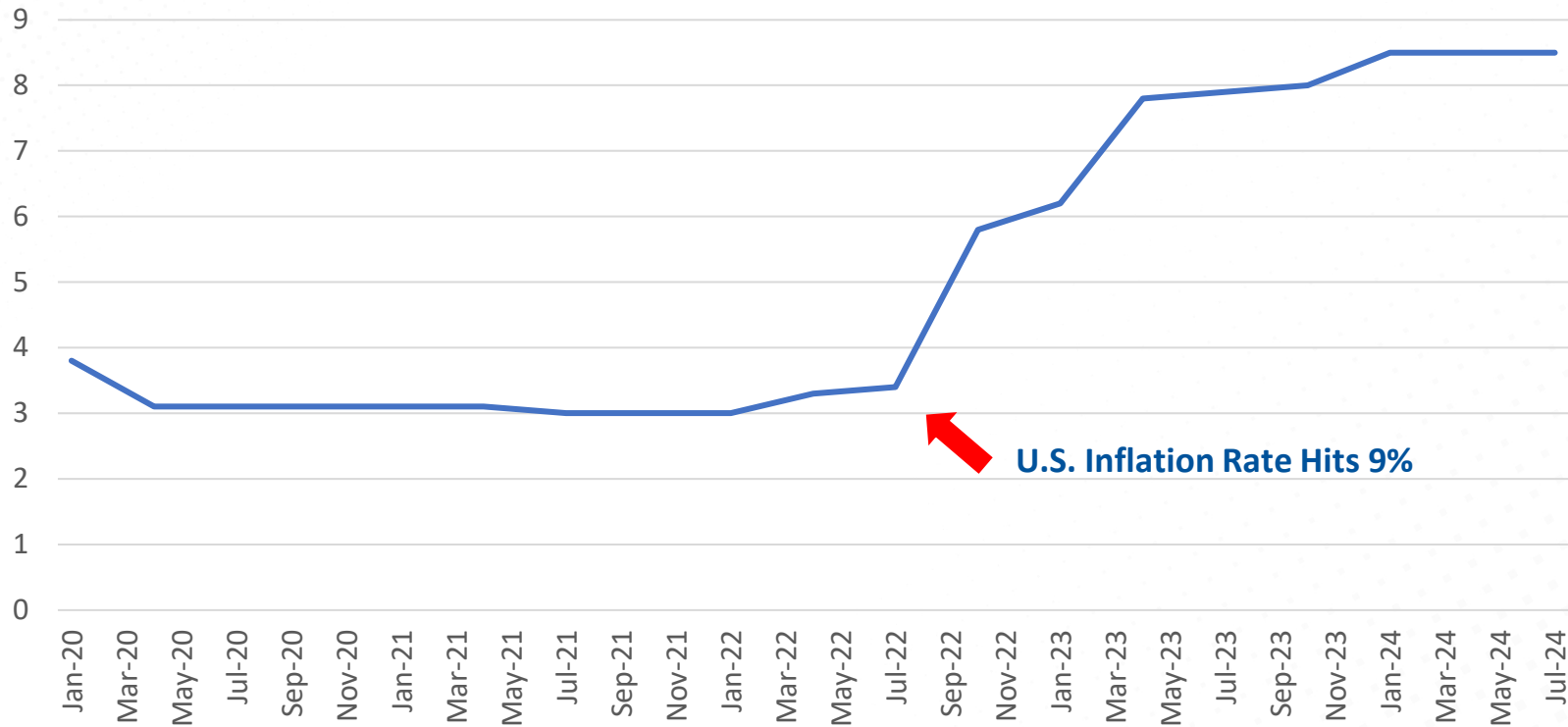
# FEDERAL FUNDS RATE HISTORY

FOMC Meeting Date	Rate Change (bps)	Federal Funds Rate
July 26, 2023	+25	5.25% to 5.50% 
May 3, 2023	+25	5.00% to 5.25%
March 22, 2023	+25	4.75% to 5.00%
Feb 1, 2023	+25	4.50% to 4.75%
Dec 14, 2022	+50	4.25% to 4.50%
Nov 2, 2022	+75	3.75% to 4.00%
Sept 21, 2022	+75	3.00% to 3.25%
July 27, 2022	+75	2.25% to 2.50%
June 16, 2022	+75	1.50% to 1.75%
May 5, 2022	+50	0.75% to 1.00%
March 17, 2022	+25	0.25% to 0.50%

The *Federal Funds Rate* refers to the interest rate that banks charge other institutions for lending excess cash to them from their reserve balances on an overnight basis

# HIGH INTEREST RATES

Prime Rate January 2020 – July 2024



The *Prime Rate* is the interest rate commercial banks charge their most creditworthy customers

# ECONOMIC FACTORS IMPACTING REVENUE



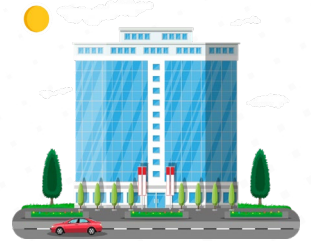
**PERSISTENT  
INFLATION**



**HIGH INTEREST  
RATES**



**REDUCED  
BUSINESS &  
CONSUMER  
SPENDING**



**EVOLVING  
OFFICE MARKET**

# BUSINESS AND CONSUMERS REACT

- Inflation and higher interest rates have led to less spending (decreased sales tax revenue) and less investment (decreased property tax revenue) by businesses and consumers
- Both report postponing important spending decisions until economic indicators stabilize and more favorable conditions become apparent
- Businesses also report that ongoing concerns about political volatility and a potential recession are contributing to their cautious spending approach

## Harvard Business Review

Government Policy And Regulation

### Companies Need a New Approach to Investing This Election Year

by Vijay Govindarajan, Felipe B. G. Silva, and Anup Srivastava

July 29, 2024

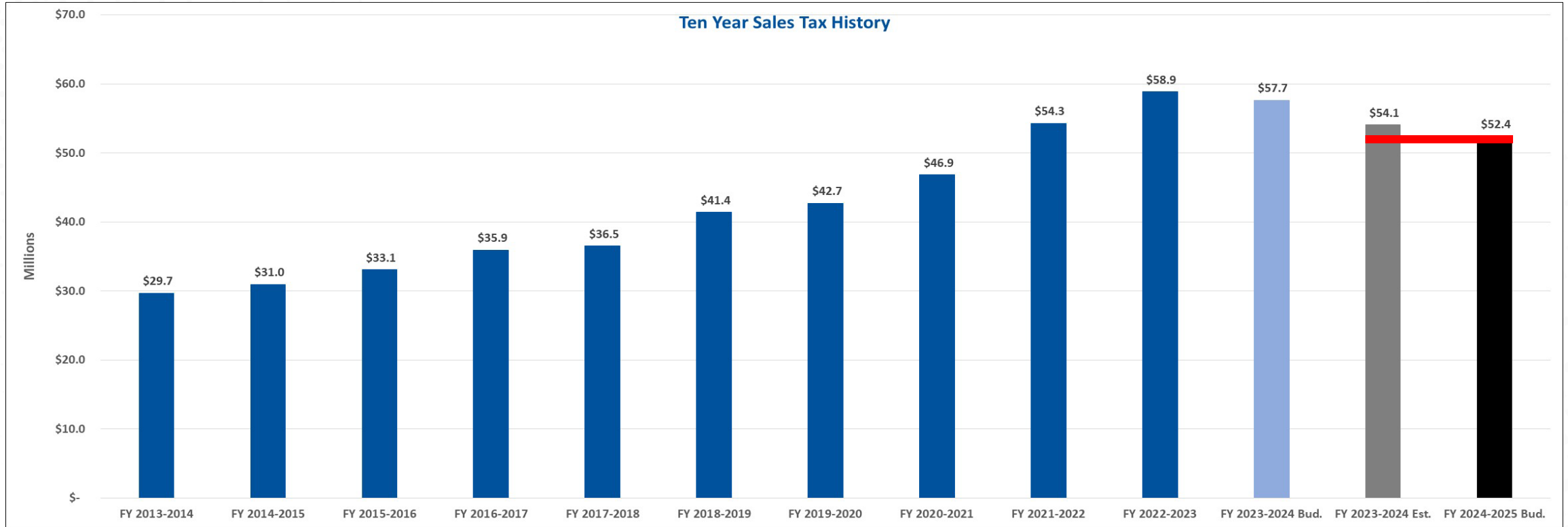


Lynne Gilbert/Getty Images

**Summary.** In the U.S., it's normal for policy uncertainty to increase before a major election, then decrease once the results are in. In any other election cycle, the predictable increase and decrease in uncertainty offers shrewd managers unique opportunities for operating... [more](#)

Election years have long been characterized by increased [policy uncertainty](#), which typically reverts to lower levels after the results become known. Opposing parties have different views on a gamut of economic policies that affect firms' [growth](#), [risks](#), and [profitability](#). This pattern of uncertainty buildup followed by its sudden post-election decline has been observed at levels across the political spectrum, including U.S. [gubernatorial](#) and [presidential](#) elections as well as [major elections](#) around the globe.

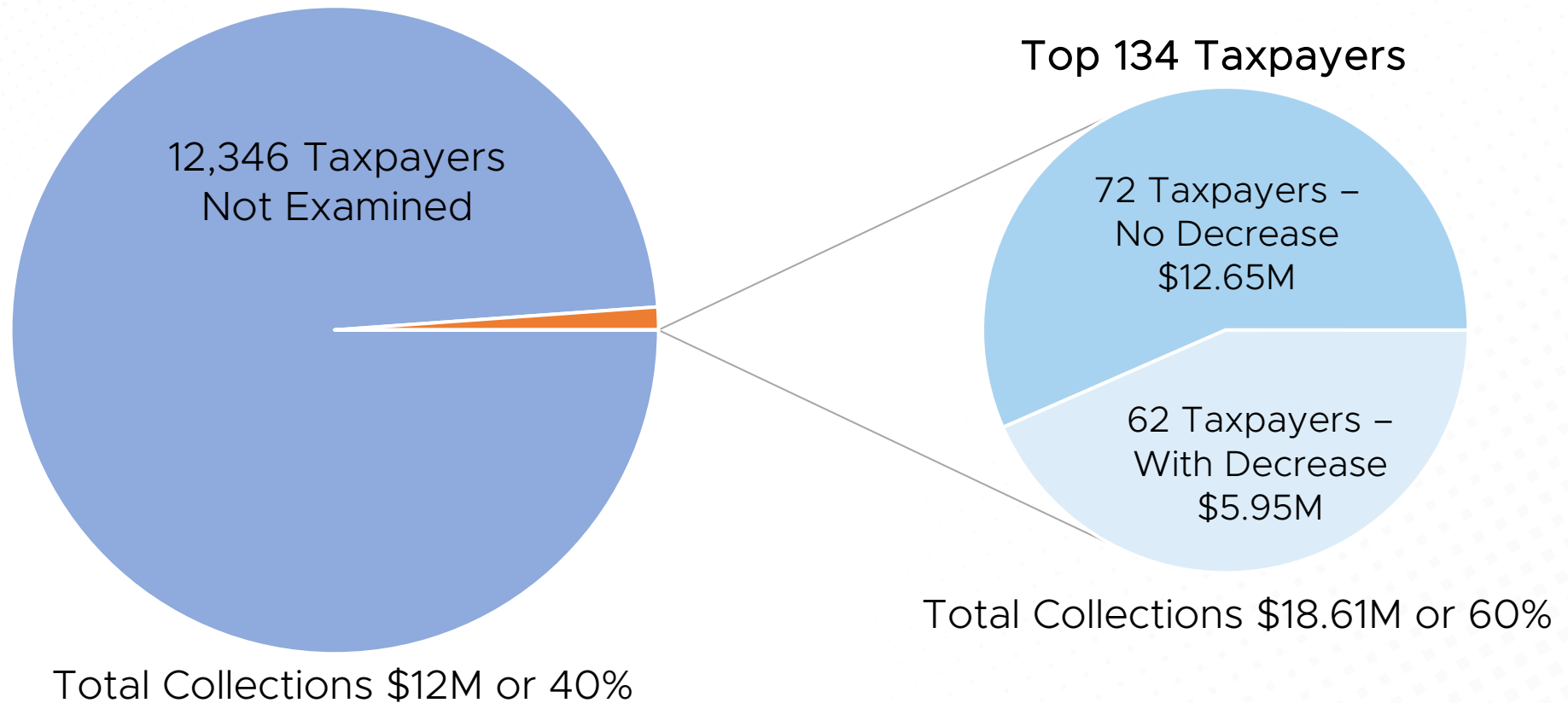
# SALES TAX REVENUE



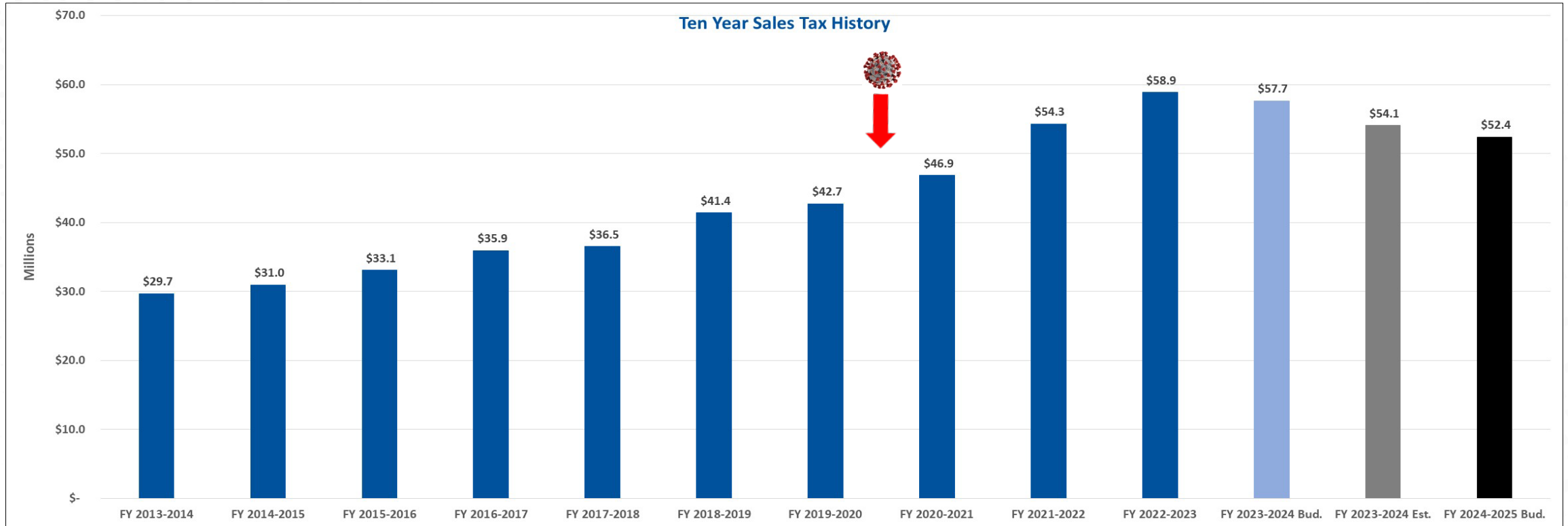
**FY24-25 Budget is  
3.1% less than  
FY23-24 Estimate**

# SALES TAX ANALYSIS

- Performed by a third-party after a \$1.9m decrease in sales/use tax for first five months of FY23-24
- Analysis sampled top 134 Sales/Use Tax depositors for the 2022, 2023 and 2024 year-to-date



# SALES TAX REVENUE – TECHNOLOGY RELATED SPENDING

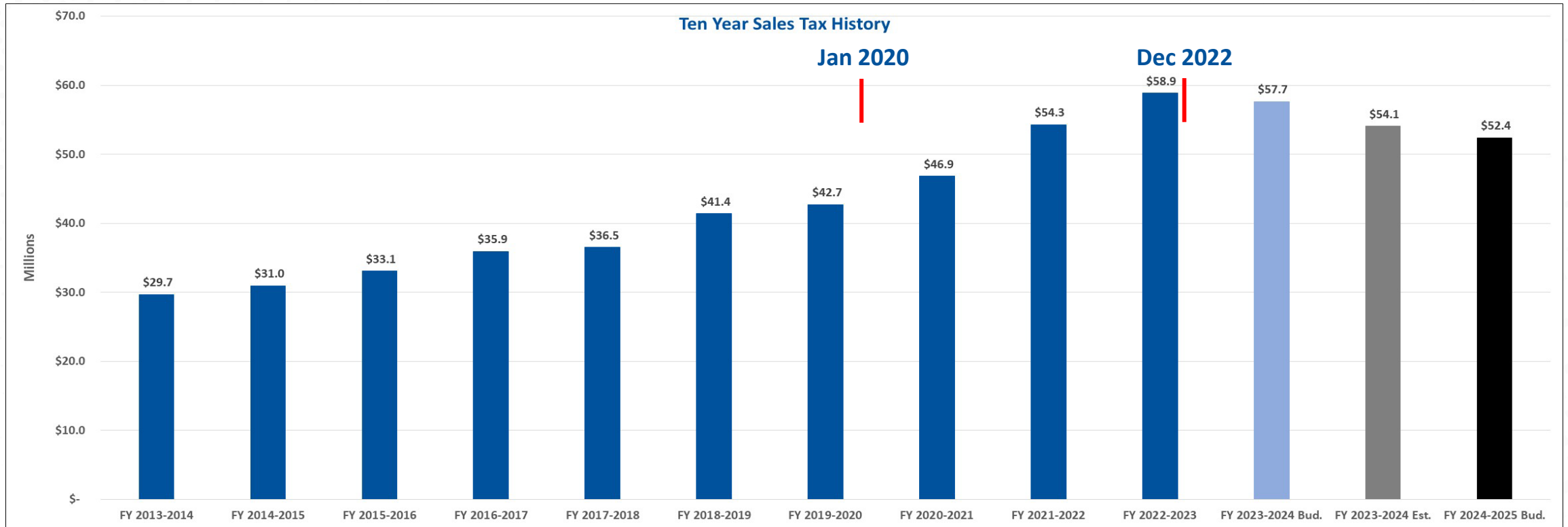


Sales tax related to technology purchases increase sharply

The need for technology to work remotely greatly increased due to the pandemic



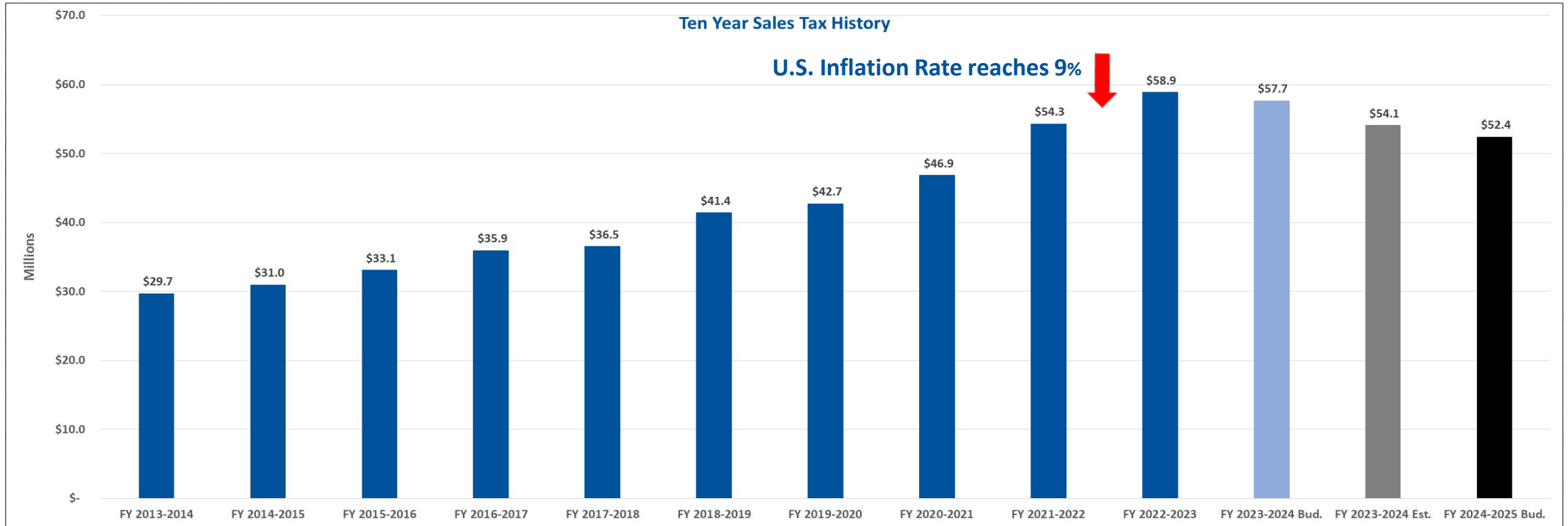
# SALES TAX REVENUE – INSURANCE RELATED SPENDING



**Sales tax related to insurance claims increased steeply**

**2020-2022 there were 30-Billion Dollar Weather Disasters resulting in ~\$80 Billion in losses in Texas**

# SALES TAX REVENUE – CONSTRUCTION RELATED SPENDING



NEWS > ECONOMIC NEWS

**The Fed's High Interest Rates  
Are Hampering Construction**

By TERRY LANE Published July 01, 2024 03:02 PM EDT

# ECONOMIC FACTORS IMPACTING REVENUE



**PERSISTENT  
INFLATION**



**HIGH INTEREST  
RATES**



**REDUCED  
BUSINESS &  
CONSUMER  
SPENDING**



**EVOLVING  
OFFICE MARKET**

# POST PANDEMIC OFFICE MARKET - “FLIGHT TO QUALITY”

- The U.S. office vacancy rate currently is at a record 19.8% (compared to 9.4% in 2019)
- In the first quarter of 2024, tenants signed leases for about 102 million square feet (about 10% below 2019)
- Houston, Dallas and Austin are the first-, second- and third-most-vacant office markets among the nation’s largest 50 metros
- There is a significant discrepancy in leasing activity between buildings constructed before and after 2015
- DFW Market
  - Buildings Older than 2015: lost 17.9 million sq ft.
  - Buildings Newer than 2015: gained 14 million sq ft.
- Businesses want exceptional places for their talent to work so they can attract them to return to the office rather than require them to return

**Less than 10% of office stock in major metros considered ‘prime’ space**

The National Observer (June 20, 2024)

**Flight-to-Quality Trend Apparent as Top-Tier Office Assets Outperform**

CBRE.com

# POST PANDEMIC OFFICE MARKET - LOAN DEFAULTS

- Today's high interest rates are particularly problematic because commercial-property owners typically borrow at least half of a building's cost
- Most of the mortgages that are coming due now were made when interest rates were much lower
- In a stable office market, many landlords would be able to pay the higher rates when refinancing
- However, the pandemic accelerated the adoption of remote work technologies, leading to decreased demand for traditional office spaces
- Owners are struggling to cope with the situation and have defaulted on billions in commercial-property loans
- Older office buildings lacking modern amenities and functionality are now exposed as uneconomical and undesirable

## Office-Loan Defaults Near Historic Levels With Billions on the Line

Wall Street Journal (April 30, 2024)

## Office Building Losses Start to Pile Up, and More Pain Is Expected

The New York Times (June 6, 2024)

# ECONOMIC DEVELOPMENT RESPONSE

What are we doing about it?

# OFFICE & FLEX REAL ESTATE STRATEGY

- Evolving since the adoption of the economic strategic plan in 2023
  - Based on property owner focus groups, broker input sessions, tenant feedback meetings, and capital investor guidance
1. Reinvent outdated office campuses
    - Create “places” where talent wants to work by replacing outdated office buildings that can no longer compete in the market with housing, restaurants, entertainment, etc.
  2. Reinvest in strategic office buildings
    - Create “Class A” assets by investing in the modernization of buildings that are surrounded by existing amenities
  3. Reduce the tenant improvement “gap”
    - For target industry opportunities, help property owner's close deals by assisting with the high cost of tenant improvements



# OFFICE & FLEX REAL ESTATE STRATEGY



Lang Partners' Dirk Oudt, Matt Johnson, and Kyle Oudt with 111 Spring Valley Road (Lang Partners, Google Maps)

DEVELOPMENT DALLAS

## JLB replacing Richardson office building with \$70M apartment project

390 units planned for 4-acre site north of Dallas



JLB Partners' CEO Bay Miltenberger and 2520 North Central Expressway (Facebook, Google Maps)

### Noteworthy Points:

- Total of 80,000 square feet of outdated office eliminated valued at \$5.7M
- Estimated value of new development: \$130M
- Both projects located near DART Red Line Station and on the Central Trail
- Both projects will bring new residents to support adjacent retail



# OFFICE & FLEX REAL ESTATE STRATEGY

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# OFFICE & FLEX REAL ESTATE STRATEGY - GALATYN COMMONS



# OFFICE REAL ESTATE STRATEGY – 6 MONTH REVIEW



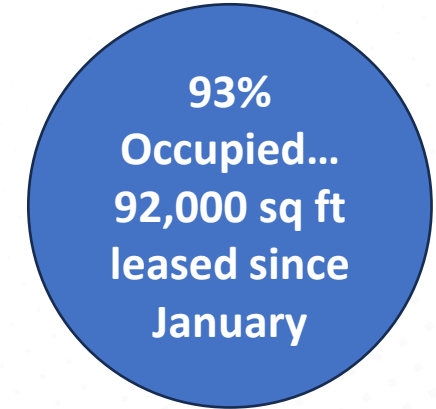
Collins Crossing  
1500 N. Greenville Ave



78,000 sq ft.



29,000 sq ft.



14,000 sq ft.



# OFFICE & FLEX REAL ESTATE STRATEGY

- Evolving since the adoption of the economic strategic plan in 2023
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# OFFICE REAL ESTATE STRATEGY – 6 MONTH REVIEW



10,000 sq ft.  
2221 Lakeside Blvd



30,000 sq ft.  
2811 Telecom Pkwy



14,000 sq ft.  
1301 W. PGBT



260,000 sq ft.  
2301 N. Greenville Ave & 1300 Lookout Drive



15,000 sq ft  
305 S. Central Expy



20,000 sq ft.  
1231 Columbia Dr



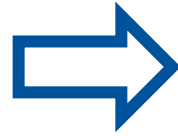
22,766 sq ft.  
2505 N. Plano Rd

# RETAIL REAL ESTATE STRATEGY

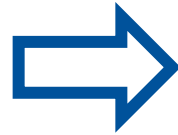
- Evolving since the adoption of the City Council Strategies in 2023
  - Based on property owner focus groups, broker input feedback meetings, small business feedback meetings, and capital investor guidance
1. Reinvent legacy shopping centers
    - Provide acquisition assistance to owner/developers who wish to revitalize legacy centers with new visions and proven tenancing strategies
  2. Reinvest in site and building façade improvement projects
    - Assist with building modernization, compliance with new regulations and modern signage strategies to increase the value of centers and attract high quality, diverse tenants
  3. Reduce obstacles for tenants to execute their vision
    - Work with high quality tenants on finish out and system upgrades so that their complete vision can be achieved



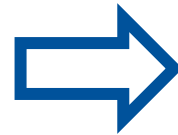
# RETAIL REAL ESTATE STRATEGY – 6 MONTH REVIEW



92%  
Leased



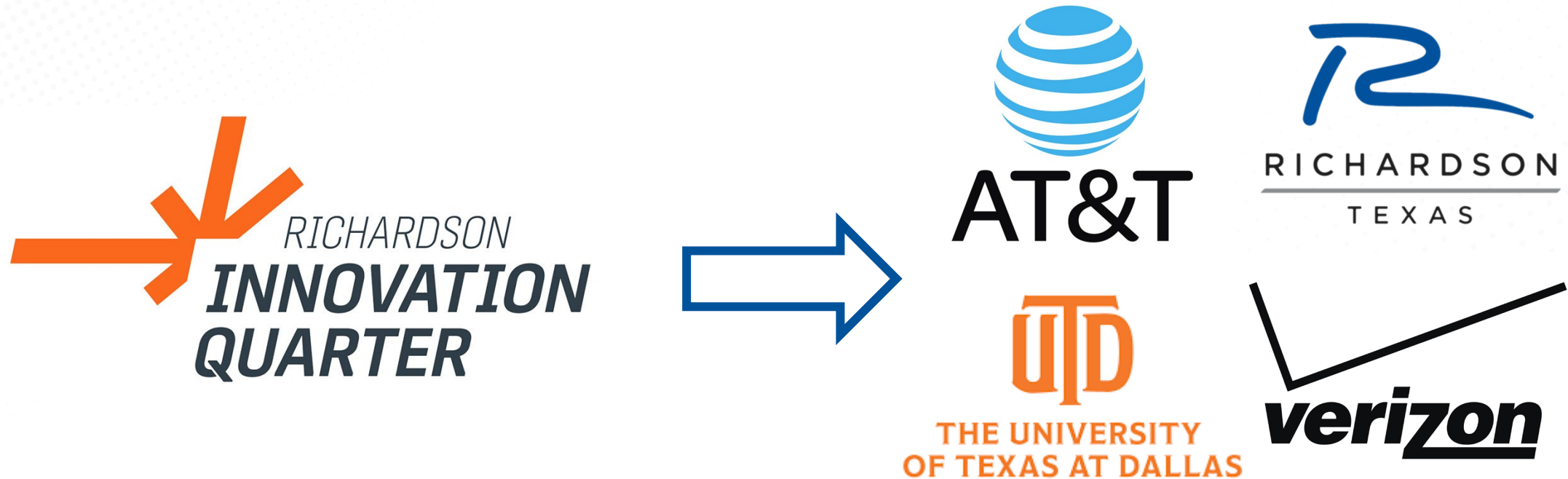
Min \$1M  
Phase 1  
Investment



*“Significant renovations are in the works for the 201,433-square-foot shopping center, including architectural enhancements, façade modifications, landscaping and lighting upgrades, and other improvements, Graham Irvine, managing director at JAH, said in a statement”*

# 5G TESTING & EVALUATION LAB OPENING AT THE IQHQ

Acceleration of Compatibility and Commercialization for Open RAN Deployments (ACCoRD) Consortium



*The facility will offer exposure to a vibrant ecosystem of researchers, enterprise partners and entrepreneurs by providing opportunities for testing 5G network performance, interoperability and security and will facilitate development of new testing methodologies designed to help lead to the adoption of an open and interoperable multivendor wireless network infrastructure*



## LOOKING AHEAD

- North Texas will continue to be a driving force in the world's economy
- The economic and real estate cycles we discussed today could last ~2 years
  - Will need to be especially mindful of the impact the evolving office real estate market will have in coming years as more leases expire, companies “right-size” and owners have to make difficult decisions about
  - Will need to remain vigilant until we see sales tax start to meet projections
- When conditions stabilize, Richardson will be poised to strongly rebound because of the steps we have taken to leverage market trends, establish meaningful relationships with the development community, and clearly communicate our vision which is based in real estate market realities

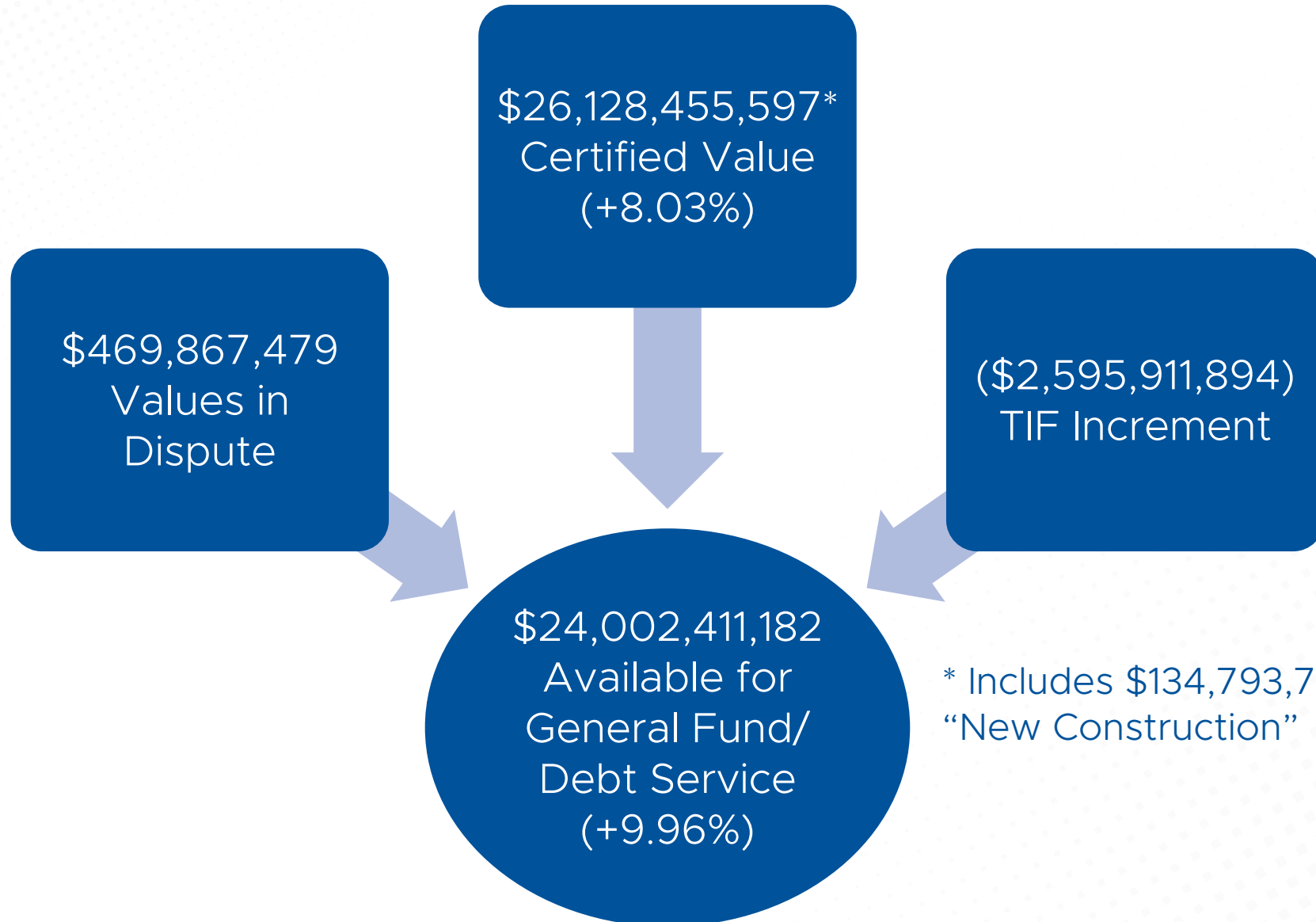
The Consumer Price Index cooled to 2.9%, down from 3% in June — the first time the index dipped beneath 3% since March 2021

In addition, Federal Reserve officials have expressed increasing concern about softening of the job market

The Fed meets Sept. 17-18 to meet set interest rates and it is expected that at least a 25-basis point cut will be made

# TAX RATE DISCUSSION

# CERTIFIED TAX ROLL



\* Includes \$134,793,718 of  
“New Construction”

# TAX ROLL IMPACTS

- 51.75% of residential accounts saw a market value increase of 10% or more
- 65.56% of residential accounts qualified for the homestead cap limiting taxable increases to 10%

**Average Home Values**

Market: \$475,638 (+10.18%)  
Taxable: \$387,624 (+10.37%)

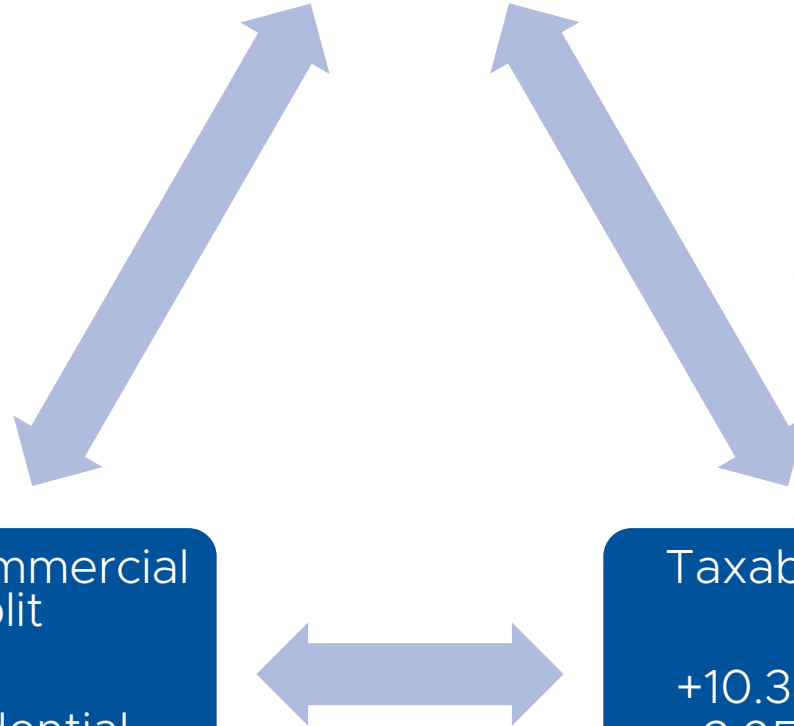
- Current senior exemption of \$145,000 equates to a 30.21% protection against market value
- Total senior accounts increased by 2.27% - currently 31.99% of residential accounts

**Residential/Commercial Value Split**

41.76% Residential  
58.24% Commercial

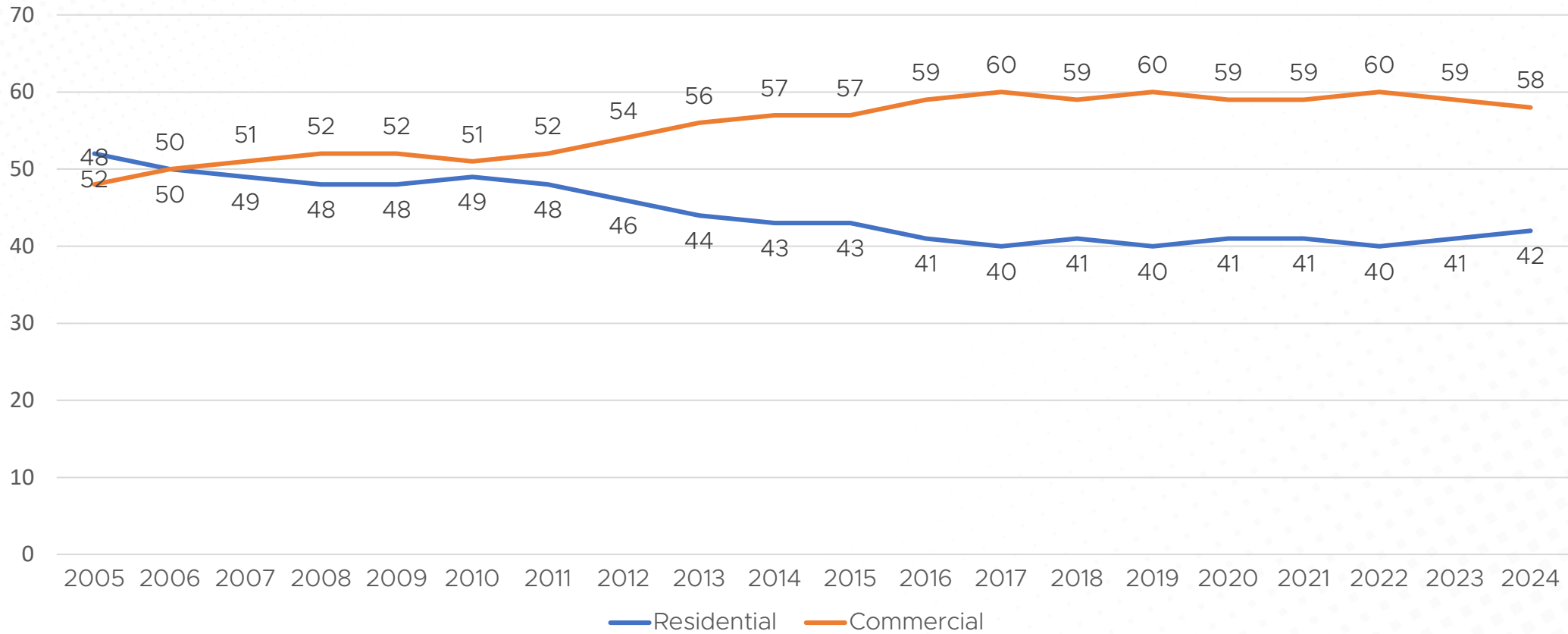
**Taxable Roll Change**

+10.38% Residential  
+3.95% Commercial  
+12.41% BPP

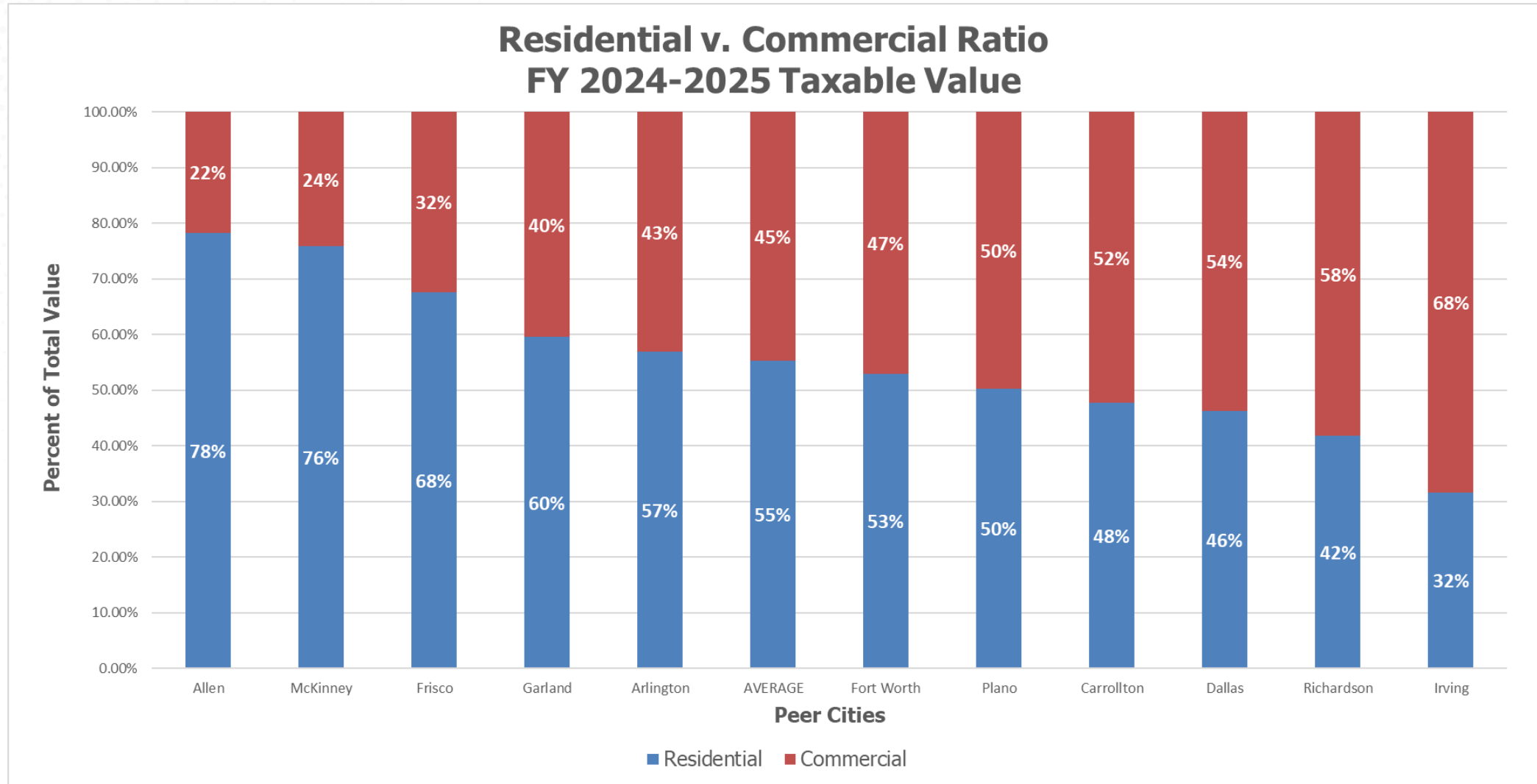


# TAX ROLL HISTORY

### Taxable Value History



# BENCHMARK CITY COMMERCIAL VS. RESIDENTIAL TAX ROLL



# TAX RATE OVERVIEW

- **Property Tax Rate** is the adopted tax rate assessed on the taxable value of real and business personal property
  - Comprised of two components:
    - A **Maintenance & Operations Rate** that goes to the General Fund for general spending
    - A **Debt Rate** that goes to the Debt Service fund to pay outstanding debt
- **No New Revenue Rate** would generate approximately the same revenue as the prior year
- **Voter Approval Rate** is the highest rate that a City Council can adopt without a mandatory ratification election
  - This rate allows a City to collect 3.5% more revenue from property taxes than in the prior year unless the City has increment to apply to the rate
  - Increment is created when a City adopts a Property Tax Rate lower than the Voter Approval Rate
    - Available unused increment is \$.00493 of the tax rate based on current taxable valuation
  - State Law allows for the increment to be applied to future tax rates within three years
    - After three years, any increment is forfeited
  - **Published Voter Approval Rate** includes the total increment available to the City

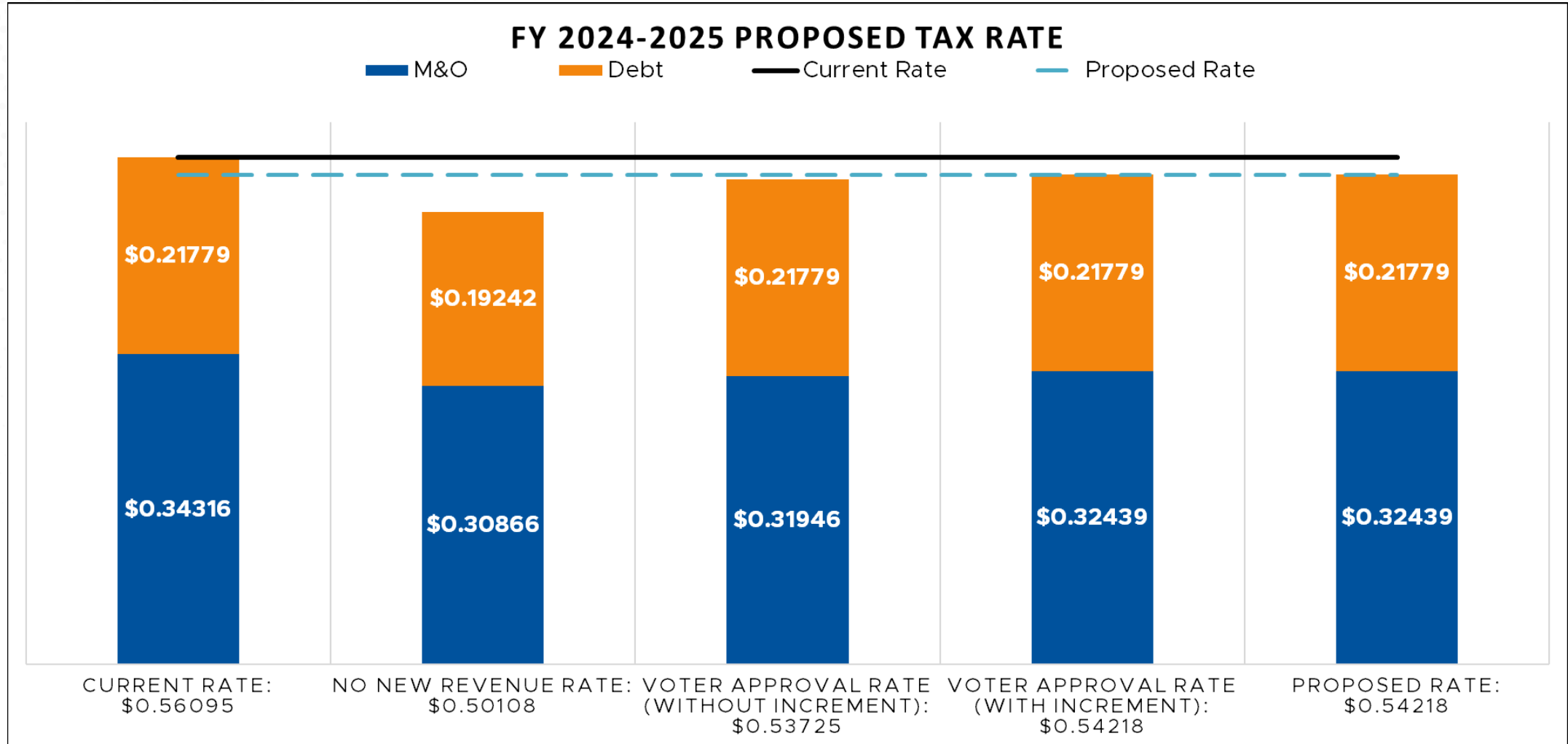
# TAX RATE OVERVIEW

Current Tax Rate	No New Revenue Rate	Voter Approval Rate (without increment)	Voter Approval Rate (with increment)
\$0.34316 M&O \$0.21779 Debt <hr/> \$0.56095 <b>Total</b>	\$0.30866 M&O \$0.19242* Debt <hr/> \$0.50108 <b>Total</b>	\$0.31946 M&O \$0.21779 Debt <hr/> \$0.53725 <b>Total</b>	\$0.32439 M&O \$0.21779 Debt <hr/> \$0.54218 <b>Total</b>

\* True Debt Service rate is calculated based on actual Debt Service requirements



# FY 21-22 INCREMENT AND FY 24-25 PROPOSED TAX RATE



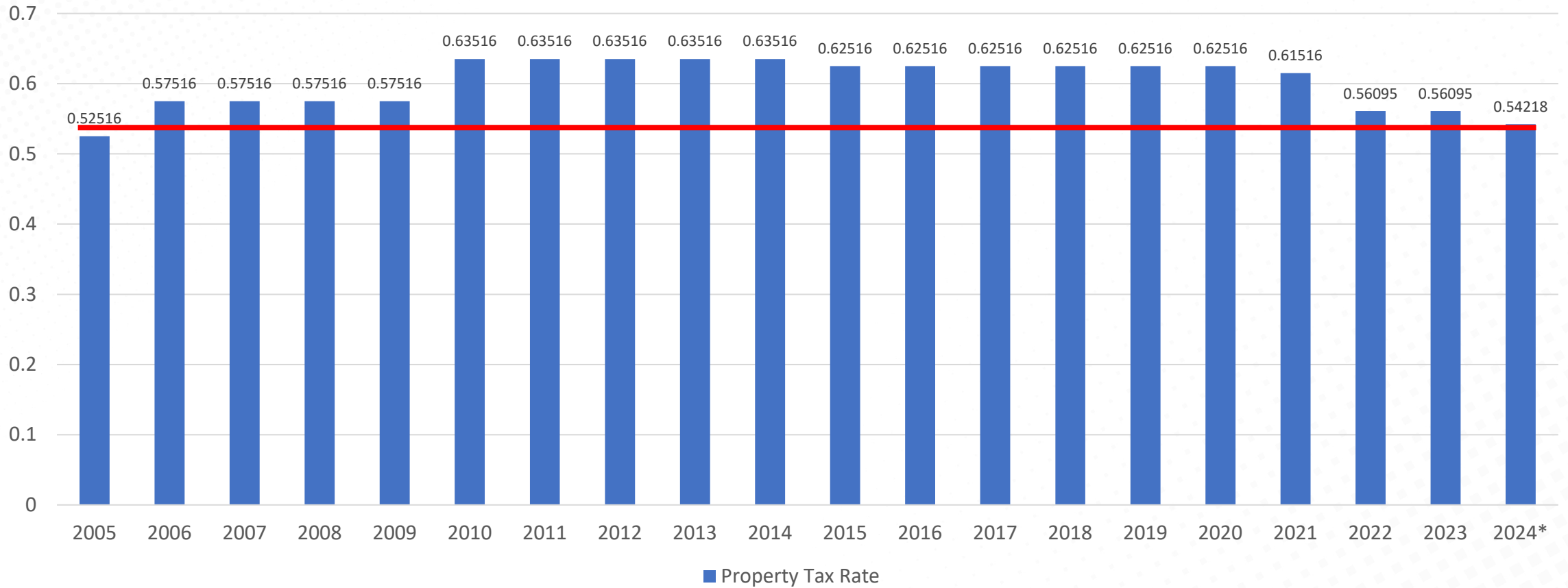
# PEER COMPARISONS

- Last year, Richardson’s tax rate ranked 6<sup>th</sup> lowest among peer cities and was \$0.011309 below the average rate of \$0.572259
- The current peer city average tax rate is expected to decrease once other cities adopt their rates this year

City	FY 2023-2024 Tax Rate
Dallas	\$0.735700
Mesquite	\$0.690000
Garland	\$0.689746
Fort Worth	\$0.672500
Grand Prairie	\$0.660000
Arlington	\$0.589800
Irving	\$0.589100
<b>Average</b>	<b>\$0.572259</b>
<b>Richardson (Current Rate)</b>	<b>\$0.560950</b>
Carrollton	\$0.553750
<b>Richardson (Proposed Rate)</b>	<b>\$0.542180</b>
Frisco	\$0.432205
McKinney	\$0.427513
Allen	\$0.420500
Plano	\$0.417600

# PROPERTY TAX RATE HISTORY

Property Tax Rate



\*Proposed Rate

# RESIDENTIAL IMPACTS

Rate	Value	Average Resident Tax Increase	Average Senior Tax Increase
Current Rate	\$0.56095	\$204.37 (10.37%)	\$145.69 (10.32%)
Voter Approval Rate (with increment) / Proposed Rate	\$0.54218	\$131.61 (6.68%)	\$93.57 (6.63%)

Tax Rate	Average Resident Bill	Average Senior Bill
Current Rate	\$2,175	\$1,557
Voter Approval Rate (with increment) / Proposed Rate	\$2,102	\$1,505
<b>Savings from Proposed Rate</b>	<b>\$73</b>	<b>\$52</b>

# ESTIMATED RESIDENTIAL TAX BILLS

- All tax rates shown are for the prior year unless marked with a \*.
- Final adopted rates may be lower than proposed rates.
- Includes all applicable exemptions.

Entity	Tax Rate	Amount	% of Total
City of Richardson*	\$0.542180	\$2,102	24.3%
Richardson ISD*	\$1.139900	\$4,419	51.2%
Dallas County	\$0.215718	\$836	9.7%
Dallas College	\$0.110028	\$426	4.9%
Parkland Hospital	\$0.219500	\$851	9.9%
<b>Total</b>	<b>\$2.227326</b>	<b>\$8,634</b>	<b>100.0%</b>

Entity	Tax Rate	Amount	% of Total
City of Richardson*	\$0.542180	\$2,102	29.3%
Plano ISD*	\$1.076750	\$4,174	58.2%
Collin County	\$0.149343	\$579	8.1%
Collin College	\$0.081220	\$314	4.4%
<b>Total</b>	<b>\$1.849493</b>	<b>\$7,169</b>	<b>100.0%</b>

# KEY FOCUS AREAS

## KEY FOCUS AREA DRIVERS

- Current and anticipated economic factors
- City Council Goals & Strategies
- City Council Feedback during “Deep Dives”
- City Manager’s Organizational Assessment
- Boards and Commissions Input
- Homeowner/Neighborhood Association Meetings
- Institutional Partners
- Business and Development Community
- Adopted Plans and Special Initiatives
- City Assessments and Evaluations
- External Assessments and Evaluations



# KEY FOCUS AREAS



**RECRUITMENT  
& RETENTION**



**INFRASTRUCTURE**



**PUBLIC  
SAFETY**



**ECONOMIC  
DEVELOPMENT**



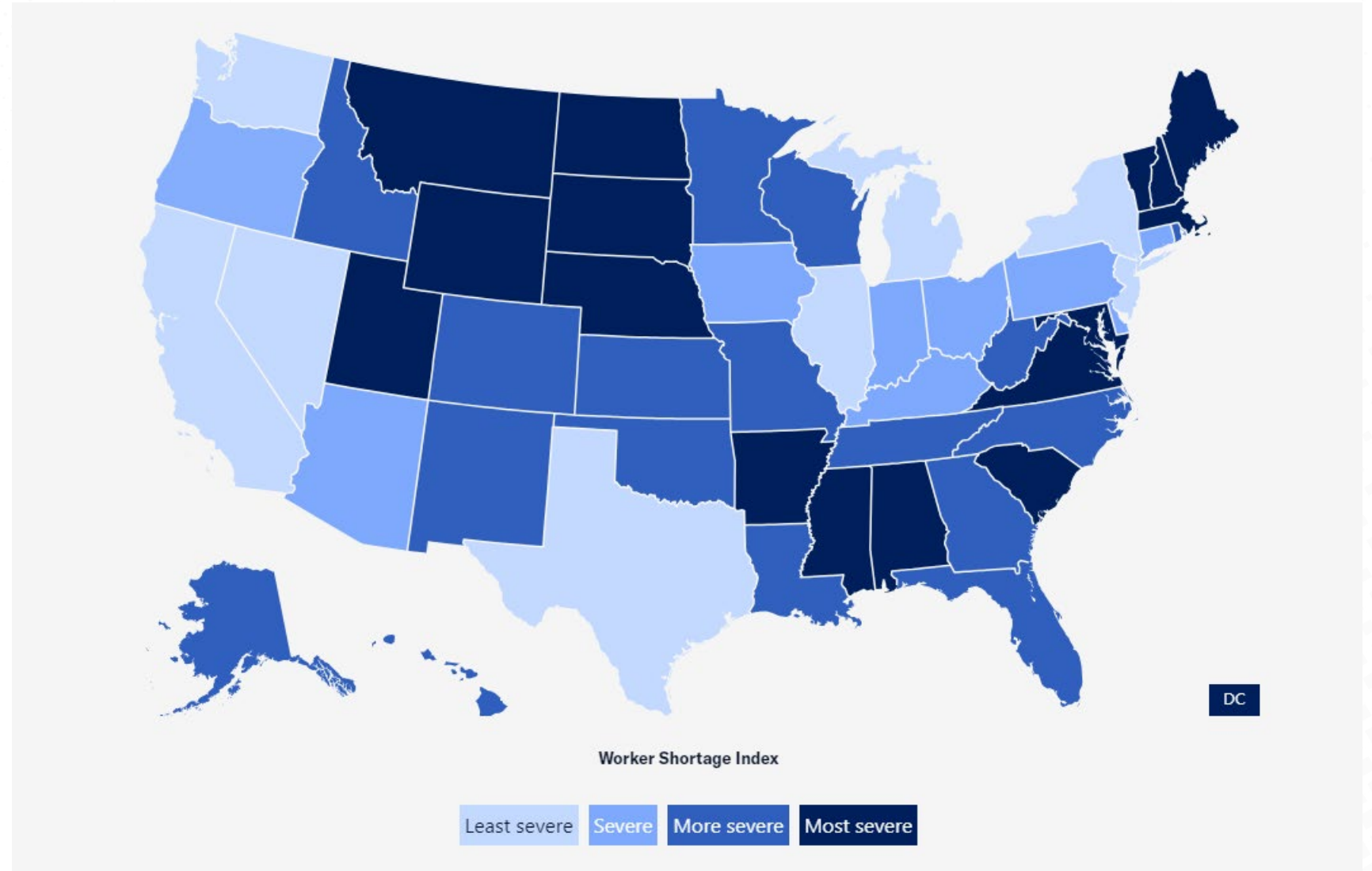
# WORKER SHORTAGE INDEX

Texas has **80** available workers for every 100 open jobs.

**0.80**

Texas's Worker Shortage Index

- Job Openings: 774,000
- Unemployed Workers: 622,845
- Labor Force Participation Rate: 64.2
- Unemployment Rate: 4.1
- Quit Rate: 2.7
- Hiring Rate: 3.8



# STRATEGIES IMPLEMENTED TO RECRUIT & RETAIN TALENT

## PAY:

- Market adjustments for various classifications (for Police, Fire, General employees) (2022 thru 2024); Salary ranges further adjusted based on wages of competitors and/or because difficult to fill positions (2022 & 2023)
- “Living Wage” Adjustment of \$18.89/hour for FT positions (based on MIT study of Dallas County – 2022 thru 2024)
- Alleviated significant salary compression issues for some difficult to fill positions (2022)
- Increased auto allowances for positions that drive significant miles to fulfill duties (2022 & 2023)
- Increased longevity pay (2023)
- Parks Department paid/reimbursed for lifeguard certification training (since 2023)
- Lateral Entry program for Fire and Police (since 2022)
- Increased recruitment and referral incentives for difficult to fill positions (2022 thru 2024)
- Increased “Box Pay” for Fire (2023)

## BENEFITS:

- Enhanced retirement eligibility benefit (2023)
- Adjusted vacation leave accruals for new hire employees (2022)
- Added new floating holiday (2024)
- No increase in medical insurance premiums (for last 7 years)
- December insurance premium holiday
- Increased City contribution for employee’s Health Savings Account (2023), enhanced medical benefits (2024)
- Departments pay for the cost for employee training and testing for CDLs (2022 thru 2024)

## WORK-LIFE:

- Telecommuting Policy (with approval of director) (2022)
- Ability to work 4–10-hour days (with approval of director) (2022)

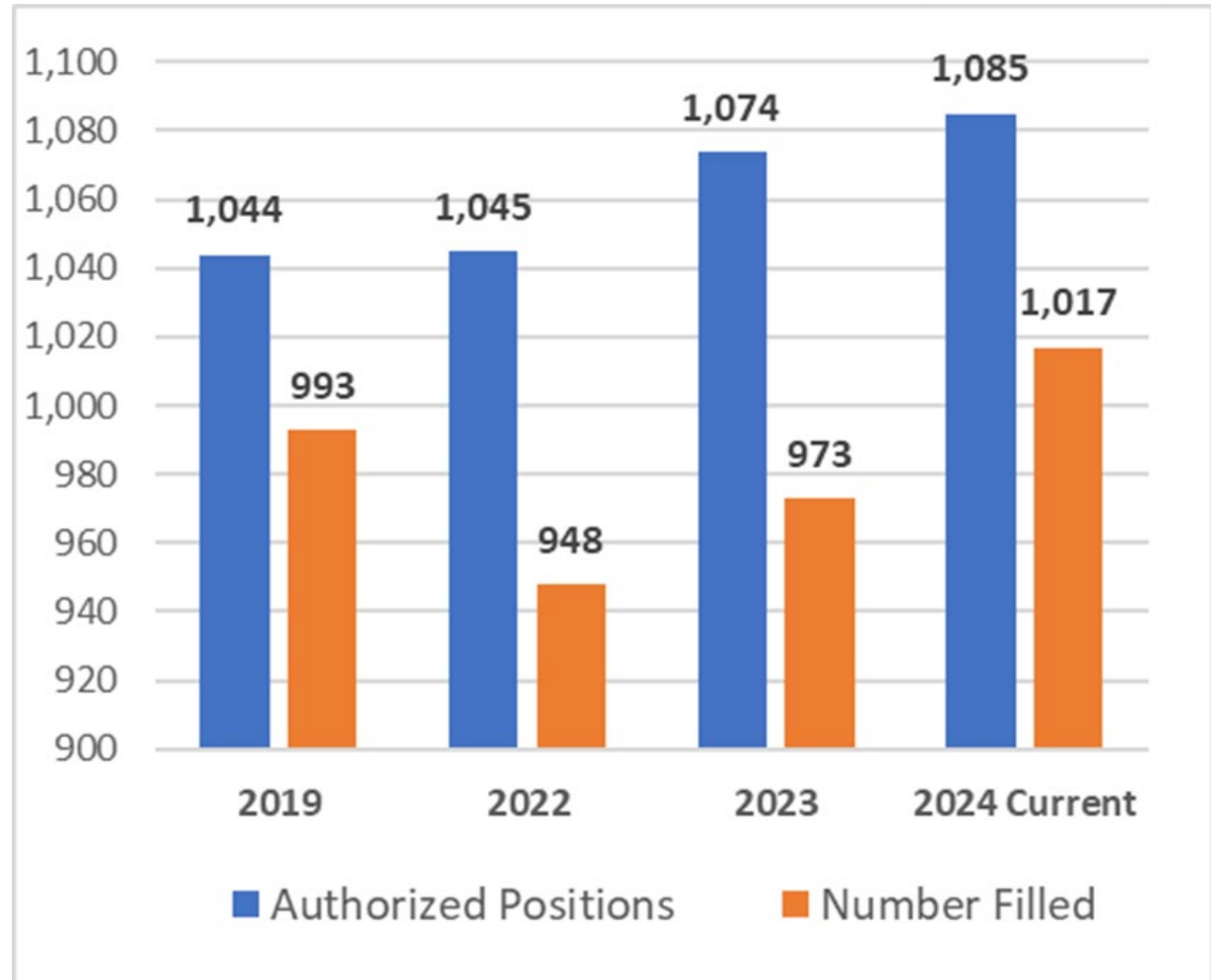
# APPLICANT ACTIVITY

RECRUITMENT APPLICATION TRAFFIC	TOTAL APPLICATIONS BY FISCAL YEAR						
	Month	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
	<b>October</b>	350	491	587	855	438	833
	<b>November</b>	347	510	440	573	664	567
	<b>December</b>	884	524	624	345	739	538
	<b>January</b>	966	643	892	562	539	813
	<b>February</b>	932	655	388	340	580	453
	<b>March</b>	795	634	639	264	767	369
	<b>April</b>	804	302	444	214	446	817
	<b>May</b>	691	467	403	690	475	869
	<b>June</b>	715	365	651	578	659	795
	<b>July</b>	1,187	428	622	1,060	957	450
	<b>August</b>	1,360	322	599	832	1,088	
	<b>September</b>	1,240	792	636	484	595	
	<b>TOTAL</b>	<b>10,271</b>	<b>6,133</b>	<b>6,925</b>	<b>6,797</b>	<b>7,947</b>	<b>6,504</b>

6,264 vs 6,504

# PRE-PANDEMIC VS POST-PANDEMIC VACANCIES

City-Wide	2019	2022	2023	2024 Current
Authorized Positions	1,044	1,045	1,074	1,085
Number Filled	993	948	973	1,017
Number Vacant	51	97	101	76
% Vacant	4.9%	9.3%	9.4%	7.0%



# CITY DEPARTMENTS WITH HIGHEST LEVEL OF VACANCIES\*

\*Difficult to fill positions as of July 31, 2024



## PUBLIC SERVICES

Division	Authorized	Vacancies
Construction	7	1
Meter Shop	6	1
PS Administration	2	0
Sewer Collection	10	4
SW - BABIC	10	0
SW - Commercial	13	1
SW - Recycling	10	1
SW - Residential	37	6
Streets	35	3
Water Operations	15	5
Water Production	17	0
<b>TOTAL</b>	<b>162</b>	<b>22</b>



## FLEET & FACILITIES

Division	Authorized	Vacancies
Custodial Services	21	1
Facilities Maintenance	13	3
Fleet Services	23	3
Warehouse	2	1
<b>TOTAL</b>	<b>59</b>	<b>8</b>



## ENGINEERING

Division	Authorized	Vacancies
Engineering/Cap Proj	30	3
<b>TOTAL</b>	<b>30</b>	<b>3</b>



## POLICE

Police	Authorized	Vacancies
911 Dispatcher	25	1
Detention Officer	16	3
Police Officer	136	4
Public Safety Officer	4	2
Police Sergeant	22	1
<b>TOTAL</b>		<b>14</b>

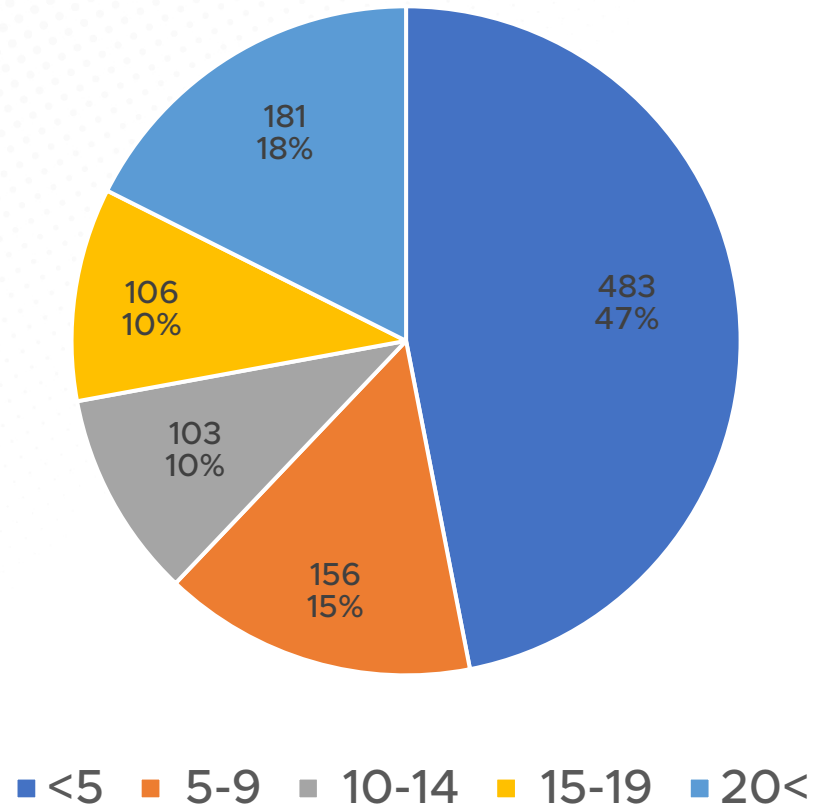


## BUILDING INSPECTION

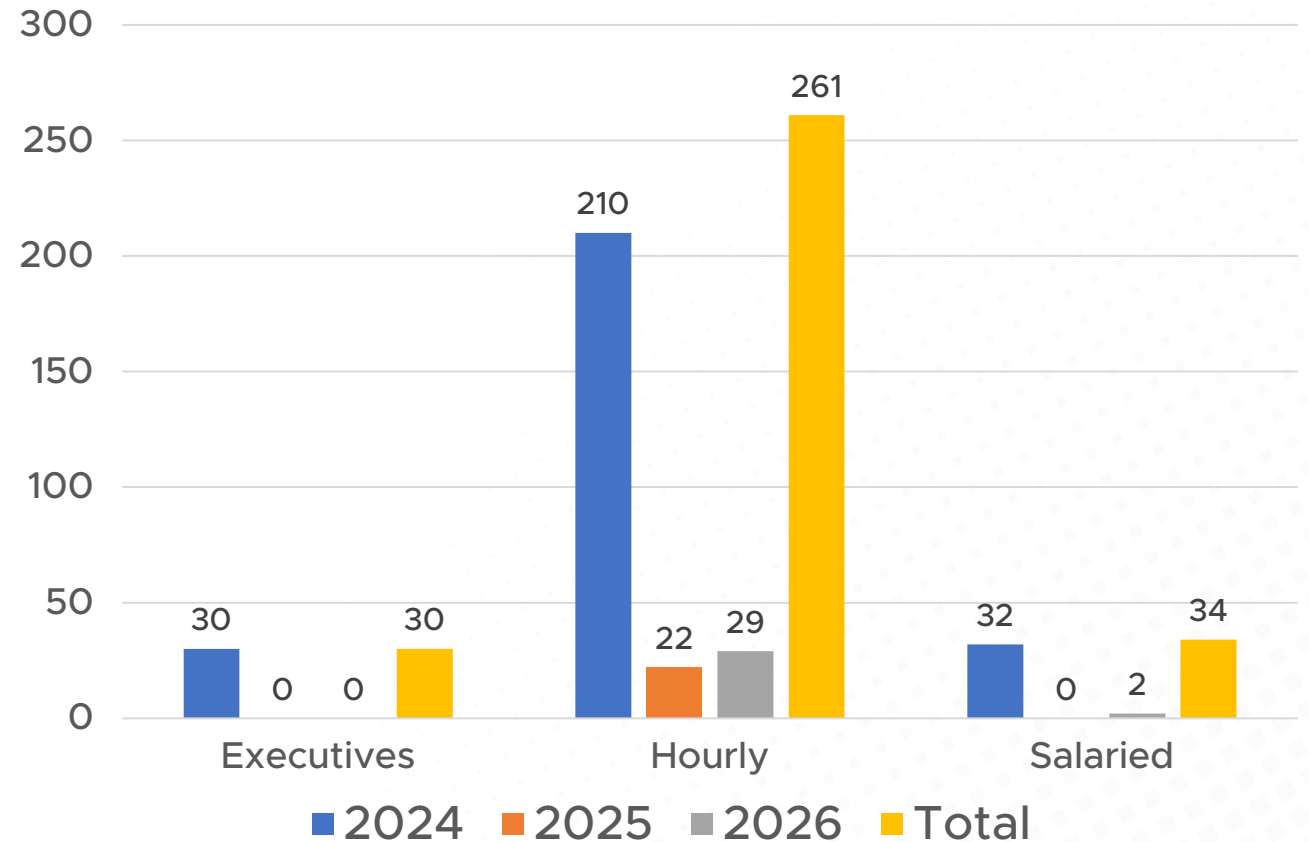
Division	Authorized	Vacancies
Building Inspection	13	4
<b>TOTAL</b>	<b>13</b>	<b>4</b>

# RETIREMENT ELIGIBILITY

## Employee Years of Service



## 272\* Employees Eligible to Retire Today 325 Employees Eligible to Retire by End of 2026



\*Of the 272 employees currently eligible to retire, the number of employees with 20-25 years of service is 71

## RICHARDSON'S BENCHMARK CITIES

- Allen
- Arlington
- Carrollton
- Dallas
- Fort Worth
- Frisco
- Garland
- Irving
- McKinney
- Plano
- Richardson



# PUBLIC SAFETY PAY SURVEY COMPARISON



Job Title	Rank at MINIMUM	% COR MINIMUM Pay Below Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay Below Rank #4
Police Officer	5 of 13	-2.70%	10 of 13	-4.11%
Police Sergeant	9 of 12	-3.33%	10 of 12	-3.72%
Police Lieutenant	7 of 13	-2.13%	8 of 13	-1.88%
Police Captain	7 of 10	-2.17%	6 of 10	-3.33%



Job Title	Rank at MINIMUM	% COR MINIMUM Pay Below Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay Below Rank #4
Firefighter	8 of 13	-6.88%	9 of 13	-4.42%
Driver/Engineer	7 of 13	-4.15%	8 of 13	-1.10%
Fire Captain	10 of 13	-6.34%	10 of 13	-4.53%
Fire Battalion Chief	9 of 13	-4.05%	10 of 13	-1.91%

As of May 2024



# GENERAL EMPLOYEE PAY SURVEY COMPARISON

Job Title	Rank at MINIMUM	% COR MINIMUM Pay Below Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay Below Rank #4
Construction Inspector III	6 of 9	-6.84%	6 of 9	-3.3%
Response & Recovery Coord	4 of 11	-	7 of 11	-5.6%
Facilities Maintenance Supv	8 of 13	-12.6%	7 of 13	-10.2%
Senior Maintenance Tech	6 of 8	-4.3%	5 of 8	-7.24%
Fleet Technician III	5 of 7	-1.9%	5 of 7	-5.5%
Assistant Controller	5 of 10	-4.5%	5 of 10	-5.5%
Accountant II	6 of 11	-9.2%	6 of 11	-4.0%
Senior Accounting Tech	6 of 13	-4.2%	3 of 13	-
Customer Service Specialist	7 of 12	-3.2%	5 of 12	-1.7%
Court Specialist	7 of 10	-7.6%	8 of 10	-12.0%
Accounts Payable Rep	8 of 13	-4.4%	8 of 13	-2.9%
Senior Programmer Analyst	6 of 10	-4.6%	7 of 10	-4.9%
Sr Water Systems Operator	5 of 8	-3.9%	8 of 8	-6.5%
Light Equipment Operator	4 of 10	-	6 of 10	-4.3%
Traffic Signs/Markings Tech II	7 of 11	-5.4%	6 of 11	-2.8%

# LIVING WAGE CALCULATION

## DALLAS COUNTY, TEXAS

	1 ADULT			
	0 Children	1 Child	2 Children	3 Children
Living Wage	\$22.06	\$36.79	\$45.35	\$58.63
Poverty Wage	\$7.24	\$9.83	\$12.41	\$15.00
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25

The living wage shown is the hourly rate that an **individual** in a household must earn to support his or herself and their family. The assumption is the sole provider is working full-time (2080 hours per year).

Source: MIT Living Wage Calculator

## CITY EMPLOYEES

20% of full-time job titles' minimum salary falls below 2024 living wage

- 150 full-time employees

74% of permanent part-time job titles minimum salary falls below 2024 living wage

- 179 part-time employees

Implementation of the living wage would have significant budget impact and create compression issues in the City's pay plan

# RECOMMENDED COMPENSATION ADJUSTMENTS

## SWORN POLICE & FIRE PERSONNEL

Police:

- Up to a 3% merit-based pay adjustment for up to 273 total positions - \$841,017
- Scheduled Steps: Steps for 36 of 168 sworn and 26 of 63 civilian positions - \$224,891



Fire:

- Up to a 3% merit-based pay adjustment for up to 183 total positions - \$643,541
- Scheduled Steps: Steps for 70 of 178 sworn positions - \$280,145



## GENERAL PERSONNEL

Merit-Based Market Adjustment: Up to a 3% pay adjustment for general employees - \$1,624,190



The 3% Pay Plan adjustment puts the minimum hourly wage for full-time and permanent part-time positions at **\$20.00**

Total recommended Pay Plan Adjustments - \$3,613,784

# PUBLIC SAFETY PAY SURVEY COMPARISON

## AFTER ADD 3%



Job Title	Rank at MINIMUM	% COR MINIMUM Pay BELOW Rank #4	% COR MINIMUM Pay ABOVE Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay BELOW Rank #4	% COR MAXIMUM Pay ABOVE Rank #5
Police Officer	4 of 13	0.0%	-	7 of 13	-1.1%	-
Police Sergeant	8 of 12	-3.0%	-	6 of 12	-0.7%	-
Police Lieutenant	4 of 13	0.0%	-	3 of 13	0.0%	+0.5%
Police Captain	3 of 10	0.0%	-	5 of 10	-0.3%	-



Job Title	Rank at MINIMUM	% COR MINIMUM Pay BELOW Rank #4	% COR MINIMUM Pay ABOVE Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay BELOW Rank #4	% COR MAXIMUM Pay ABOVE Rank #5
Firefighter	7 of 13	-3.8%	-	8 of 13	-1.4%	-
Driver/Engineer	6 of 13	-1.1%	-	2 of 13	0.0%	+1.7%
Fire Captain	8 of 13	-3.2%	-	9 of 13	-1.5%	-
Fire Battalion Chief	6 of 13	-1.0%	-	3 of 13	0.0%	+0.3%

# GENERAL EMPLOYEE PAY SURVEY COMPARISON

## AFTER ADD 3%

Job Title	Rank at	% COR MINIMUM	% COR MINIMUM	Rank at	% COR MAXIMUM	% COR MAXIMUM
	MINIMUM	Pay BELOW Rank #4	Pay ABOVE Rank #4	MAXIMUM	Pay BELOW Rank #4	Pay ABOVE Rank #4
Construction Inspector III	5 of 9	-3.73%		5 of 9	-0.3%	
Response & Recovery Coord	4 of 11	-		7 of 11	-2.5%	
Facilities Maintenance Supv	8 of 13	-9.4%		7 of 13	-7.0%	
Senior Maintenance Tech	5 of 8	-1.2%		5 of 8	-4.1%	
Fleet Technician III	3 of 7	-	+0.7%	5 of 7	-2.5%	
Assistant Controller	5 of 10	-1.5%		5 of 10	-2.4%	
Accountant II	6 of 11	-6.0%		5 of 11	-1.0%	
Senior Accounting Tech	5 of 13	-1.1%		1 of 13	-	+3.3%
Customer Service Specialist	5 of 12	-0.2%		3 of 12	-	+1.2%
Court Specialist	6 of 10	-4.4%		8 of 10	-8.7%	
Accounts Payable Rep	7 of 13	-1.3%		4 of 13	-	-
Senior Programmer Analyst	5 of 10	-1.5%		6 of 10	-1.8%	
Sr Water Systems Operator	5 of 8	-0.8%		7 of 8	-3.4%	
Light Equipment Operator	4 of 10	-	-	5 of 10	-1.3%	
Traffic Signs/Markings Tech II	7 of 11	-2.3%		4 of 11	-	-

# KEY FOCUS AREAS



**RECRUITMENT  
& RETENTION**



**PUBLIC  
SAFETY**



**INFRASTRUCTURE**



**ECONOMIC  
DEVELOPMENT**

# PUBLIC SAFETY

## GENERAL FUND SUMMARY:

FY24 Original Budget:  
\$70,435,138

FY25 Proposed Budget:  
\$72,437,872

\$ Change: \$2,002,734

% Change: 2.8%

Departments included:  
Police, Fire,  
Emergency Management

## CONTINUED KEY INVESTMENTS:

- Police services which are essential to the public's safety and well-being: \$39.6 million
- Full-service emergency response providing fire suppression, advanced emergency medical service, specialized rescue, hazardous materials response, and fire prevention/education to the community: \$32.2 million
- Preparedness and disaster resiliency of the whole community: \$716,000

## **PUBLIC SAFETY - FIRE**

### **CAPITAL REPLACEMENT FUND:**

- Command vehicle: \$84,000
- Thermal imagers (quantity 12): \$127,184
- Rotary rescue saws (quantity 9): \$15,777
- Positive pressure ventilation fans (PPV) (quantity 5): \$28,500
- Fire training tower roll-up overhead door: \$15,000
- Fire Training Center auxiliary building misting fan system: \$8,500
- Fire tower second floor balcony sliding door assembly: \$9,000

### **SPECIAL PROJECTS FUND:**

- Station bay improvements: \$75,000

### **DEBT FINANCED:**

- Aerial Platform Truck: \$2,014,000
- M.I.C.U: \$418,000



## **PUBLIC SAFETY - POLICE**

### **CAPITAL REPLACEMENT FUND:**

- Replacement of fourteen vehicles: \$1.1 million

### **SPECIAL PROJECTS FUND:**

- Forensic Imaging System Replacement (Crime-light auto): \$45,000

### **EXPANDED KEY INVESTMENTS:**

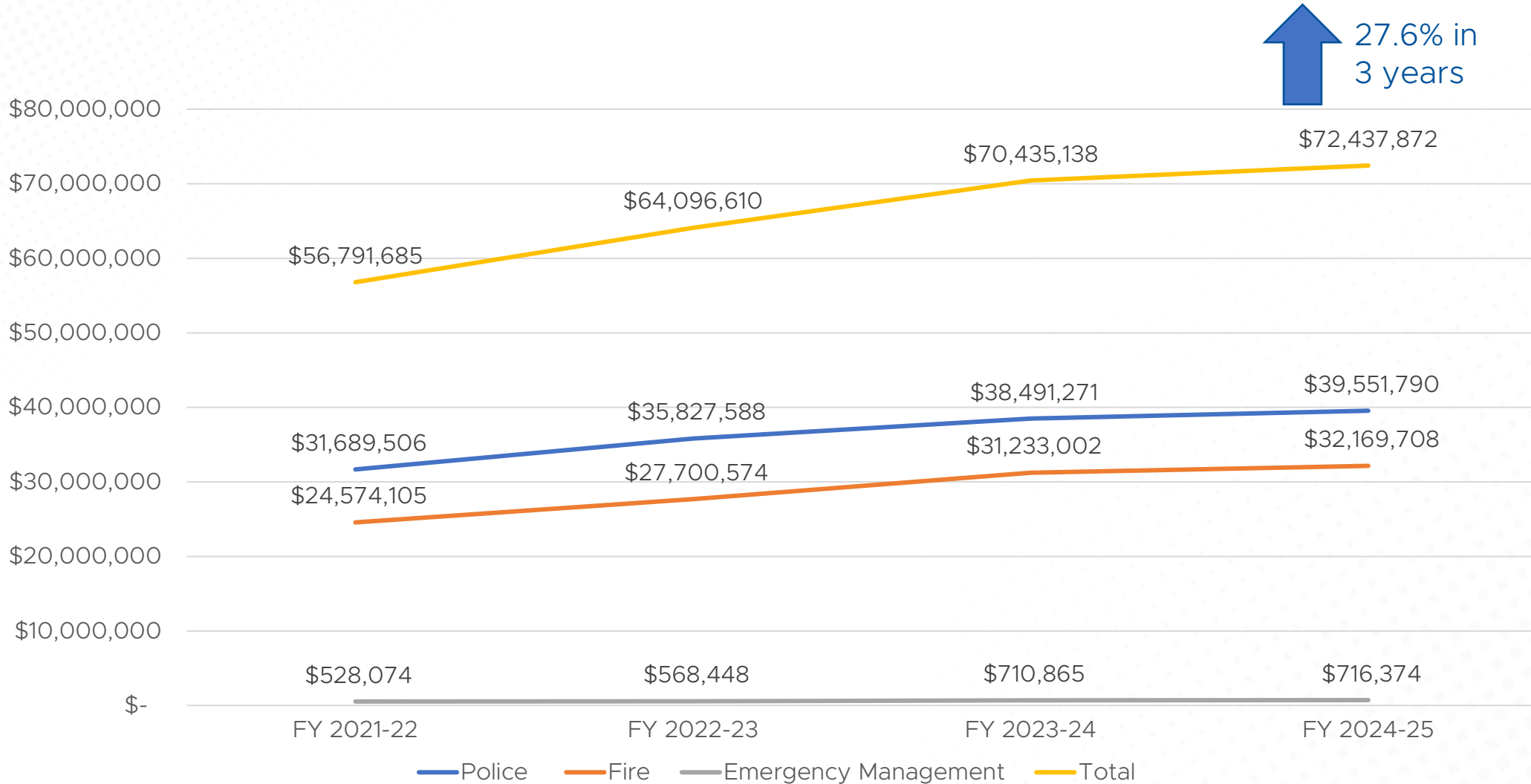
- Thermal Drone: \$17,000
- Crime Prevention Bait Vehicle Equipment: \$14,000
- Rapid Deployment Smart Camera (UbiHub): \$5,000
- Community relations and programs: \$10,000

## **PUBLIC SAFETY – EMERGENCY MANAGEMENT**

### **CAPITAL REPLACEMENT FUND:**

- Additional security cameras: \$9,000

# PUBLIC SAFETY INVESTMENT



# KEY FOCUS AREAS



## RECRUITMENT & RETENTION



## PUBLIC SAFETY



## INFRASTRUCTURE



## ECONOMIC DEVELOPMENT

# INFRASTRUCTURE

## GENERAL FUND SUMMARY:

FY24 Original Budget:  
\$21,172,625

FY25 Proposed Budget:  
\$21,111,609

Change: (\$61,016)

% Change: (0.3%)

Departments included:  
Engineering – Capital Projects,  
Streets, Transportation & Mobility,  
Street & Alley Rehabilitation

## CONTINUED KEY INVESTMENTS:

- Screening Walls, Entry Features and Bridges:
  - Screening Wall Maintenance: \$120,000
  - Bridge Rail Maintenance: \$150,000
- Transportation & Mobility: Inflationary increases for supplies and materials: \$99,537

## SPECIAL PROJECTS FUND :

- Transportation & Mobility: New School Zone Flashers (Renner Rd): \$35,000

# INFRASTRUCTURE

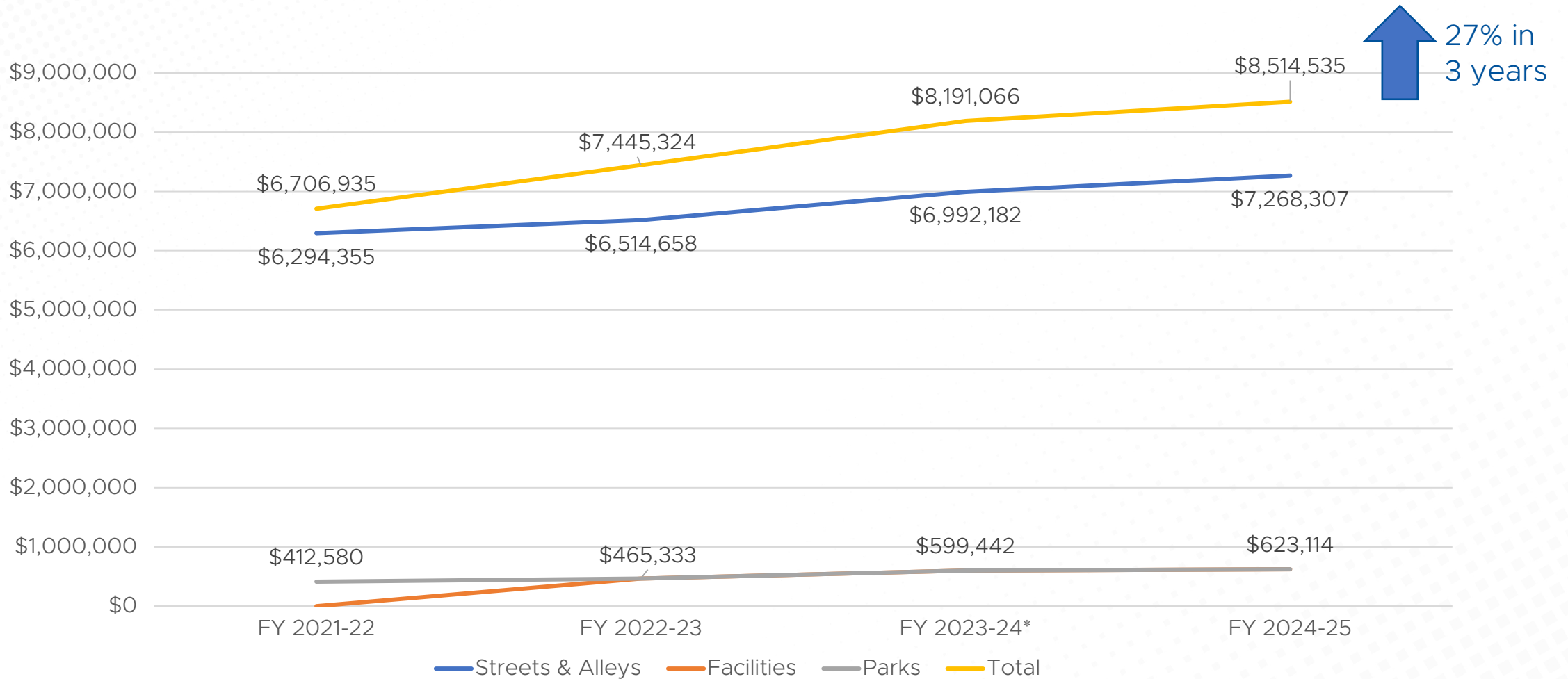
## KEY INITIATIVES:

- 2021 GO Bond Program: \$54,150,000 (Year 4)
- 2023 GO Bond Program: \$9,520,000 (Year 2)
- Water and Wastewater Maintenance and Capital Projects: \$18,852,000 in a combination of debt and cash funding
- Drainage Fee Initiatives: \$2,727,007
- Property Tax Maintenance Initiatives are indexed to grow at the same rate as the revenue from current year property taxes or 3.95% for FY 2024-2025
  - Street dedication of \$5,258,694, a decrease of (\$500,220) after the removal of the FY24 one-time supplement of \$700,000 and then indexed to property tax revenue growth
  - Alley dedication of \$2,009,613, an increase of \$76,345
  - Parks Maintenance dedication of \$623,114, an increase of \$23,672
  - Facility Maintenance dedication of \$623,114, an increase of \$23,672

## CAPITAL REPLACEMENT FUND:

- Streets: Replacement of 2-yard dump body: \$75,000
- Transportation & Mobility: Replacement of Sign Roller Table: \$50,000

# INFRASTRUCTURE MAINTENANCE PROGRAMS



\*Does not include one-time dedication

# KEY FOCUS AREAS



**RECRUITMENT  
& RETENTION**



**PUBLIC  
SAFETY**



**INFRASTRUCTURE**



**ECONOMIC  
DEVELOPMENT**

# ECONOMIC DEVELOPMENT

The City utilizes three primary funding sources to promote economic development

## GENERAL FUND

- Manages and coordinates specific assigned projects and programs, which include complex development and redevelopment projects, economic development activities, public/private partnerships, policy and ordinance development, and interdepartmental strategic plans and studies
- Total FY 2024-2025 proposed funding: **\$627,818**

## ECONOMIC DEVELOPMENT FUND

- Established in FY 2014-2015, the Economic Development Fund to advance development opportunities in the community
- Yearly transfers from General Fund occur through property tax dedication. FY 2024-2025 is funded at **\$2,076,659**
- Key FY 2024-2025 expenditures:
  - International Business Development: \$90,000

## TAX INCREMENT FINANCING (TIF) FUNDS

- The City has three TIF Zones that are utilized for various economic development purposes. TIF #1 was established in 2006 and TIF #2 and TIF #3 were established in 2012
- Key FY 2024-2025 expenditures from TIF #1:
  - IQHQ Enhancements: \$90,000
  - ED Personnel cost offset: \$123,000
  - CORE District Programming: \$250,000
  - Placemaking Initiatives: \$100,000



# ADDITIONAL BUDGET CONSIDERATIONS

## HOTEL FUND TRANSFER

- To help ensure the stability of the Hotel/Motel Tax Fund during the hospitality downturn and temporary closure of the Eisemann Center during the COVID-19 pandemic, \$2,000,000 in excess reserves were transferred from the General Fund to the Hotel/Motel Tax Fund
  - FY 2019-2020: \$1,000,000
  - FY 2020-2021: \$1,000,000
- At that time, the recovery in the hospitality industry was expected to take multiple years
- Hotel/Motel taxes in Richardson recovered to their pre-pandemic levels in 18 months, allowing the fund to outperform the conservatively set budgets in FY 2020-2021 and FY 2021-2022
- As a result of the strong performance in the Hotel/Motel Tax Fund, \$1,000,000 will be transferred out of the Hotel/Motel Tax Fund to the General Special Projects Fund as partial repayment of that support

## USE OF HOTEL FUND TRANSFER

- The \$1,000,000 transfer out to the General Special Projects Fund will go toward funding the following:
  - Pool Resurfacing at Heights Pools: \$335,000
  - ADA Transition Plan : \$150,000
  - Housing Needs Assessment : \$135,000
  - Fire Station Bay Improvements : \$75,000
  - Forensic Imaging System Replacement (Crime-light auto) : \$45,000
  - New School Zone Flashers – Renner Road : \$35,000
  - City-Wide Cybersecurity Risk Assessment : \$25,000
  - Richardson Replants : \$200,000

# TOTAL OPERATING BUDGET

Total FY 2024-2025 budget is **\$406,078,754**, an increase of **\$7,074,458** or **1.8%** from FY 2023-2024

Fund summaries for the Operating Funds can be found on pages 23-75 of the filed budget.

**Special Revenue Funds:**

*Funds are restricted, and can only be used for specific purposes*

- Drainage Fund
- Richardson Improvement Corporation Fund
- Judicial Efficiency Fund
- Municipal Court Technology Fund
- Juvenile Case Manager Fund
- Special Police Funds
- State Grant Funds
- Federal Grant Funds
- Municipal Court Building Security Fund
- Wireless 911 Fund
- Tax Increment Financing Fund #1
- Tax Increment Financing Fund #2
- Tax Increment Financing Fund #3
- Franchise PEG Fund

**Debt Service Funds:**

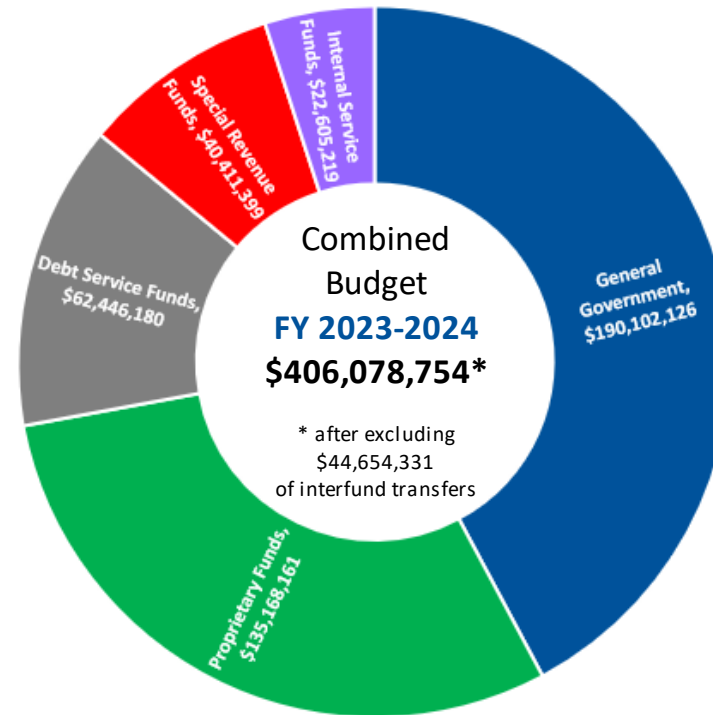
*Funds are used to pay interest and principal on bonds.*

- General Debt Service Fund
- Water & Sewer Debt Service Fund
- Solid Waste Services Debt Service Fund

**Internal Service Funds:**

*Funds account for expenditures that are organizational wide and across all fund types.*

- Insurance & Flexible Spending Fund
- Central Services Fund
- Information Technology Replacement Fund



**General Government:**

**- General Fund**

*Funds provide for basic city services such as public safety, parks, and administration.*

**- Hotel/Motel Tax Fund**

*Funds account for the administration, operations, and maintenance of the Charles W. Eisemann Center, parking garage, Convention and Visitors Bureau and annual grants to local arts organizations.*

**Proprietary Funds:**

*Funds are accounted for similar to private business transactions. The City provides a service and the user pays for that service.*

- Water and Sewer Fund
- Solid Waste Services Fund
- Golf Fund



RICHARDSON  

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TEXAS

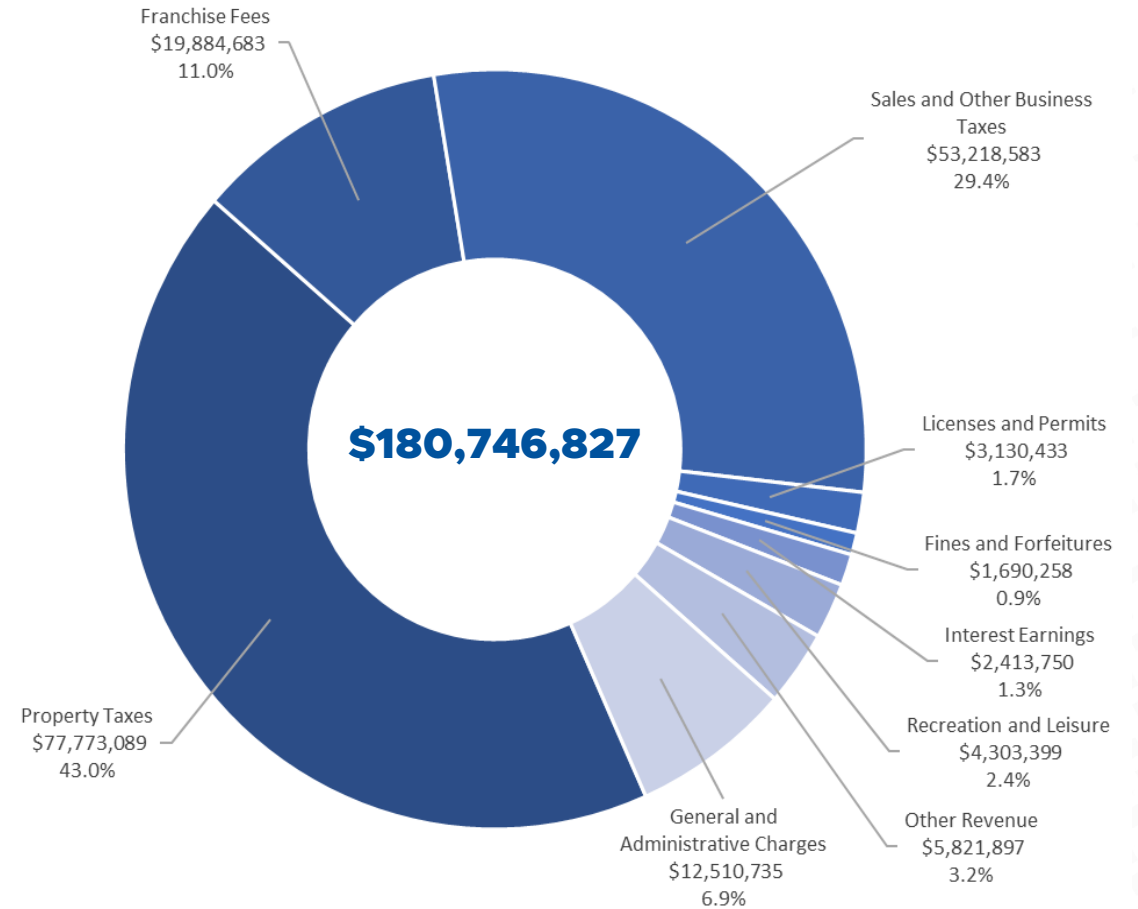
**GENERAL FUND**

# GENERAL FUND – REVENUES

**\$180,746,827**

Projected to increase **\$1.1 million** to **\$180.7 million** from Prior Year Budget

- Revenue from Current Property Taxes are projected to increase 3.95% from the FY24 Budget
  - Based on 3.5% max from Supplemental Tax Rolls allowed under SB2
  - Uses total available SB2 tax rate increment
  - Results in a \$0.01877 reduction to the tax rate
  - Includes the senior tax exemption of \$145,000
- Sales tax revenue projected to decrease from the FY 2023-2024 adopted budget by (9.1%)



# GENERAL FUND REVENUES

**83.5%** of general fund revenues derive from Property Taxes, Sales & Other Business Taxes, and Franchise Fees



PROPERTY  
TAXES  
**43.0%**  
\$77,773,089



SALES &  
BUSINESS TAXES  
**29.4%**  
\$53,218,583



FRANCHISE  
FEES  
**11.0%**  
\$19,884,683

# PROPERTY TAX REVENUES

Projected at **\$77.8 million**, which is an increase of **\$2.6 million** above the FY24 Original Budget

## CURRENT TAXES



Projection of **\$77.9 million** is based on **9.96% value growth** from FY24

- Assumes the maximum revenue increase allowed under SB2
- Lowers the current rate by \$0.01877, while using the available increment of \$0.00493
- An **increase of \$3.0 million** from FY 2023-2024
- One Cent is worth \$2.4 million
- 1% from FY24 Certified = \$749,034 to the General Fund
- Commercial Office sector values down (9.4%)

## PRIOR TAXES



Projection of **(\$350,000)**

- Forecast for FY 2024-2025 is based on current trends and assumes continued higher than normal property value dispute lawsuits filed in District Court, [many related to commercial office sector](#)
- Assumes a continued impact of less than favorable outcomes of these lawsuits
- A **decrease of (\$411,000)** from FY 2023-2024

## PENALTIES & INTEREST



Projection of **\$261,667** based on 5-year average

- An **increase of \$32,000** from FY 2023-2024



# SALES & OTHER BUSINESS TAX REVENUE

Projected at **\$53.2 million** which is a decrease of **(\$5.2 million)** below the FY24 Original Budget



**SALES TAX**

- Budgeted at **\$52.4** million
- Based on (2.0%) decline from the FY24 Base Collections, which removes all state adjustments from total collections
  - (9.1%) reduction from FY24 budget



**MIXED BEVERAGE TAX**

- Budgeted at **\$755,735**
- Increased \$47,222 from FY24 Budget



**BINGO TAX**

- Budgeted at **\$48,736**
- Decreased (\$1,502) from FY24 Budget

# FRANCHISE FEE REVENUES

Projected at **\$19.9 million** which is an increase of **\$819,087** above the FY24 Original Budget



## ELECTRIC FRANCHISE FEES

Based on a normalized year (non pandemic year) and 2.5% growth



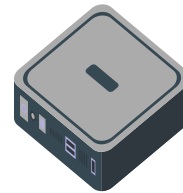
## GAS FEES

Based on a normalized year and removes the impact of the colder than normal February 2023, but does factor in recent increases in the unit cost



## TELEPHONE FRANCHISE FEES

Assumes reduced fees as residential customers continue to drop their land lines.



## CABLE FEES

Continue to reflect the full impact of SB 1152 and the current trend of customers switching from cable service to streaming



## WATER/SEWER & SOLID WASTE FRANCHISE FEES

Based on 5.0% of sales and service fees for the use of the City's rights-of-way and is consistent with best practices

# OTHER REVENUES

Projected at **\$29.9 million** which is an increase of **\$2.9 million** above the FY24 Original Budget



## LICENSES & PERMITS

Based on current trends and includes \$66,300 from increases to building and development fees



## FINES & FORFEITURES

Based on current trends

## OTHER REVENUES

FY25 forecast includes increased ambulance revenue resulting from higher insurance reimbursements rates. Also includes an increase to ambulance transport fee.



## INTEREST

FY24 budget assumed multiple rate cuts by the Fed, which did not occur. FY25 forecast based on high fund balance and gradual rate cuts in 2025.



## RECREATION & LEISURE

Includes revenues from Community Events, Athletics, Recreation Centers and Senior Center, Aquatics, and from the City's Gymnastics and Tennis programs. This category includes \$108,613 in increases to Parks fees



## GENERAL & ADMINISTRATIVE CHARGES

Based on most recent update to the City's cost allocation plan

# GENERAL FUND FEE CHANGES INCLUDED\*

Fire	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Ambulance Transport Fee	Change	\$675	\$875	\$200	\$275,000	Market Based
					<b>\$275,000</b>	

Building Inspection	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Multi-Family Permit Fee	Change	\$650	\$750	\$100	\$38,400	Market Based
Single Family Permit Fee	Change	\$1,800	\$1,950	\$150	\$4,350	Market Based
Detached Building < 150 sf	Change	\$50	\$100	\$50	\$2,250	Market Based
Detached Building > 150 sf	Change	\$100	\$200	\$100	\$1,200	Market Based
Commercial Fence Permit	Change	\$50	\$100	\$50	\$700	Market Based
					<b>\$46,900</b>	

Planning	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Tree Mitigation	New	\$0	\$500	\$500	\$18,500	Need Based
Tree Removal Permit	New	\$0	\$50	\$50	\$900	Need Based
					<b>\$19,400</b>	

\* Proposed fee changes are included in presented numbers

# GENERAL FUND FEE CHANGES INCLUDED\*

Parks and Recreation	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Special Use Permitting	New	\$0	\$25	\$25	\$1,250	Cost Recovery
Pavilion Rental - Resident	Change			N/A	\$3,200	Set Minimum Hours
Pavilion Rental - Non-Resident	Change			N/A	\$1,600	Set Minimum Hours
Breckinridge Fire Pit	New	\$0	\$50	\$50	\$150	Educational programs only
Playground Camp	Change	\$150	\$175	\$25	\$13,700	Cost Recovery
Kindergarten Camp	Change	\$175	\$200	\$25	\$4,675	Cost Recovery
Elementary Camp	Change	\$175	\$200	\$25	\$11,775	Cost Recovery
Teen Camp	Change	\$200	\$225	\$25	\$6,500	Cost Recovery
Recreation Center Membership - Individual	Change	Varies	Varies	17%-29%	\$30,070	Market Based
Recreation Center Membership - Family	Change	Varies	Varies	11%	\$5,565	Market Based
Recreation Center Membership - Monthly	Change	Varies	Varies	30%-50%	\$8,310	Market Based
Recreation Center Membership - Corporate	Change	\$90	\$105	\$15	\$750	Market Based
Tournament Gate Fee (per team)	Change	\$100	\$150	\$50	\$17,500	Cost Recovery
Tennis Court Fees (per person/per 1.5 hours)	Change	\$3.00	\$3.50	\$0.50	\$1,745	Market Based
Tennis Court Punch Card	Change	Varies	Varies	31%-51%	\$650	Market Based
Van Ride Rate - Senior Center	Change	\$0.25	\$0.50	\$0.25	\$1,173	Cost Recovery
					<b>\$108,613</b>	

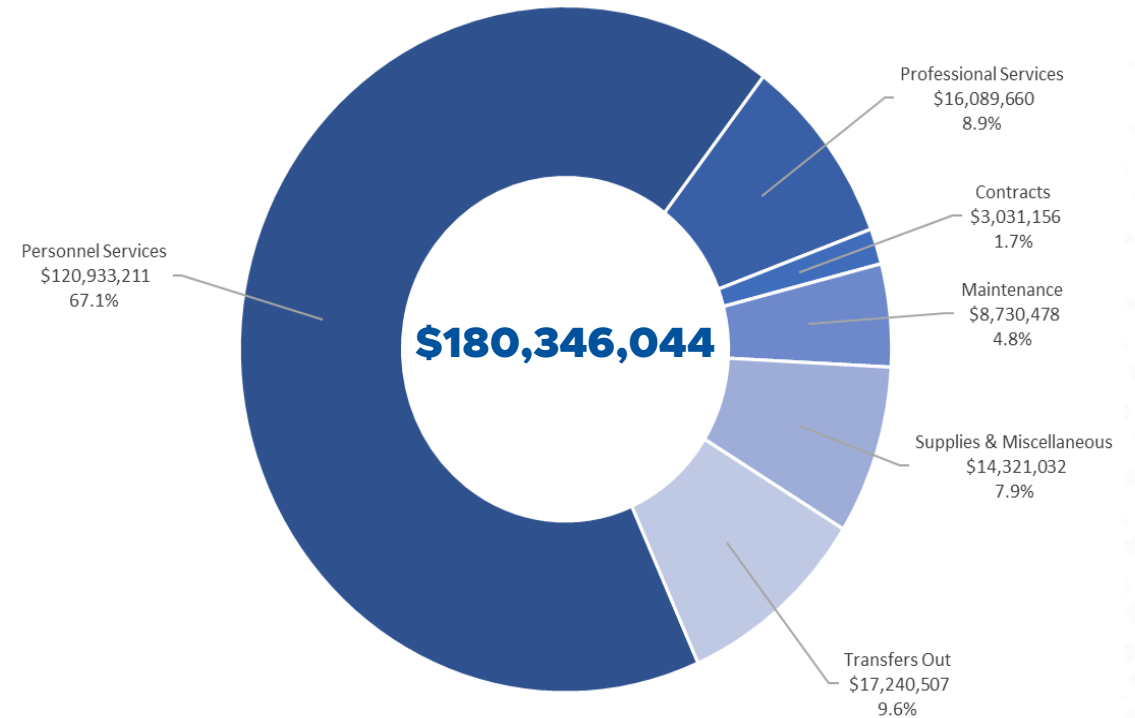
\* Proposed fee changes are included in presented numbers

# GENERAL FUND – EXPENDITURES

**\$180,346,044**

Projected to increase **\$2.2 million** to **\$180.3 million**  
from Prior Year Budget

- Up to 3.0% merit-based pay plan adjustment full-time staff
- Increase the minimum starting salary for full-time and permanent part-time positions to \$20.00 from \$18.71
- Continued investment in public safety via 5.0% public safety steps, capital equipment replacement, mental health care, expanded community programming
- Property Tax Dedications (Street and Alley Rehabilitation, Facility Maintenance, Parks Maintenance, Economic Development, pay-as-you-go capital and IT replacements) are all programmed to increase 3.95%, after removal of the FY24 one-time supplement of \$700,000 from Street Maintenance
- \$1.25 million in funding for the replacement of the City’s legacy IT systems and for upgrades to the traffic management system
- Budgeted at **90.99 days**



# GENERAL FUND EXPENDITURES

WHERE THE MONEY GOES  
**75.3%**

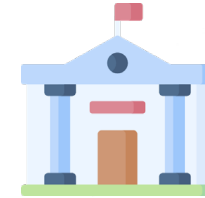
of General Fund expenditures are from Public Safety, General Government, Infrastructure & Mobility and Recreation & Leisure



PUBLIC SAFETY

**40.2%**

\$72.4 MILLION



GENERAL GOVERNMENT

**13.8%**

\$24.8 MILLION



INFRASTRUCTURE & MOBILITY

**11.7%**

\$21.1 MILLION



RECREATION & LEISURE

**9.6%**

\$17.3 MILLION

# PROPERTY TAX KEY INVESTMENTS



**REDUCE**  
Property Tax  
Rate by  
**\$.01877** to  
\$0.54218



**INCREASE**  
Tax Exemption  
by **\$15,000** to  
\$145,000



**INCREASE**  
Property Tax  
Dedications by  
**3.95%\***



**INCREASE**  
Home  
Improvement  
Incentive  
Program tax  
rebates by  
**\$657,086** to  
\$1.9M



\* programmed to increase at the same rate as Property Tax revenue from current taxes





Support for  
Network of Community Ministries  
The Counseling Place:  
**\$500,000 each**



Program will assist with  
the multi-year  
restoration plan after  
May 2024 wind event:  
**\$200,000**



Support for  
Chamber of Commerce:  
**\$200,000**

# KEY PROGRAM INVESTMENTS



Housing Needs  
Assessment:  
**\$135,000**



ADA Transition Plan  
**\$150,000**



Citizen Programs:  
Richardson CARES : **\$8,725**  
Citizen Police Academy : **\$13,438**  
Citizen Fire Academy : **\$14,834**  
Various Partner Workshops: **\$18,500**

# CAPITAL REPLACEMENT KEY INVESTMENTS

FY 2024-2025

**\$3.84M**

**PAY-AS-YOU-GO  
CAPITAL REPLACEMENTS**



FY 2024-2025

**\$1.56M**

**IT REPLACEMENT  
FUND**



# FUND HIGHLIGHTS

## COMMUNITY & NEIGHBORHOOD SERVICES

- Total budget of \$8.6 million, an increase of \$572,000 from the FY 2023-2024 adopted budget
  - Home Improvement Incentive Program: \$1,900,000
    - Increase of \$657,000
    - Increase due to higher per project value when compared to previous years
  - Ongoing funding for homeowner and neighborhood association support programs
  - Screening Wall Washing and Painting Program: \$90,000
  - Graffiti Abatement Program: \$30,000

## GENERAL GOVERNMENT

- Total budget of \$24.8 million, a decrease of (\$422,000) from the FY 2023-2024 adopted budget
  - City-wide expenses such as insurance premiums and radio/phone system fees and maintenance
  - Ongoing support for the Network of Community Ministries and Counseling Place of \$500,000 each
  - Continued funding for enhanced recruitment efforts
  - Includes funding for a CAC Grant Application Tracking Software: \$10,000

# FUND HIGHLIGHTS

## FACILITIES & FLEET

- Total budget of \$13.8 million, an increase of \$748,000 from the FY 2023-2024 adopted budget
  - Provides \$4.0 million in funding for facility maintenance
    - Routine facility maintenance: \$838,000
    - Contracted inspection of critical facility systems: \$435,000
    - Property Tax Dedication for repair and maintenance projects: \$623,000
  - Includes \$1.7 million for in-house custodial services and \$454,000 for contractual custodial services
  - \$7.1 million is being programmed for the maintenance and upkeep of the City's vehicles and equipment

## INFORMATION TECHNOLOGY

- Total budget of \$10.0 million, a decrease of (\$234,000) from the FY 2023-2024 adopted budget
  - Reflects a (\$600,000) reduction in General Fund support for the legacy systems replacement initiative as the program begins to focus on the Utility Billing systems and will see increased support from the Water and Sewer Fund
  - Provides \$1.4 million for Cloud based services, an increase of \$263,000
  - Provides \$1.6 million for the replacement of computers and network hardware

# FUND HIGHLIGHTS

## LIBRARY

- Total budget of \$4.0 million, flat from the FY 2023-2024 adopted budget
- Includes funding for the Library's modified operations at the temporary City Hall as the Library building undergoes the improvements that were passed as part of the 2021 Bond Program
- Funds continued enhancing culturally diverse programming and event opportunities
- Funds operation of the Library Community Outreach Van
- Continued support for the Richardson Adult Literacy Center: \$30,000

## PLANNING & DEVELOPMENT SERVICES

- Total budget of \$1.8 million, a decrease of (\$39,000) from the FY 2023-2024 adopted budget
- Ongoing support for the City Plan Commission and Zoning Board of Adjustment
- Provides continued funding for the Comprehensive Plan update

# FUND HIGHLIGHTS

## RECREATION AND LEISURE

- Total budget of \$17.3 million, flat from the FY 2023-2024 adopted budget
- Includes funding for all traditional community events
- Supports full programming at Heights and Huffhines Recreation Centers and the Senior Center
- Funds full operations of all the four community pools and the Heights Aquatics Center
- Supports the increased activity at the Tennis Center
- Continuation of the City's Property Tax Dedication for Parks Maintenance: \$623,114
- Includes new investments in:
  - Adaptive Adult Venture Days
  - Adaptive Program – Camp Courageous
  - Mimosa Park Musco Lighting Conversion
  - Huffhines Facility-Wide Public Address and Sound System Upgrade
- Provides \$549,000 for the replacement of parks equipment and vehicles through the City's pay-as-you-go capital replacement program

# FY 2024-2025 GENERAL FUND NEW REVENUE USES

<b>FY 2024-2025 General Fund New Revenue</b>	<b>\$ 1,132,948</b>
<b>FY 2024-2025 General Fund Use of New Revenue</b>	
Public Safety Pay Plan Adjustments and Steps	\$ 1,989,594
Non-Public Safety Pay Plan Adjustments	1,184,675
Unavoidable Inflationary Increases and Limited New Spending	840,923
Assumed Savings from Attrition	(881,770)
Departmental Cost Containments	(881,974)
Information Tech and Traffic Initiatives	(600,000)
CORPlan Contribution Adjustment	(518,500)
	<hr/>
	<b>\$ 1,132,948</b>



# **WATER & SEWER FUND**

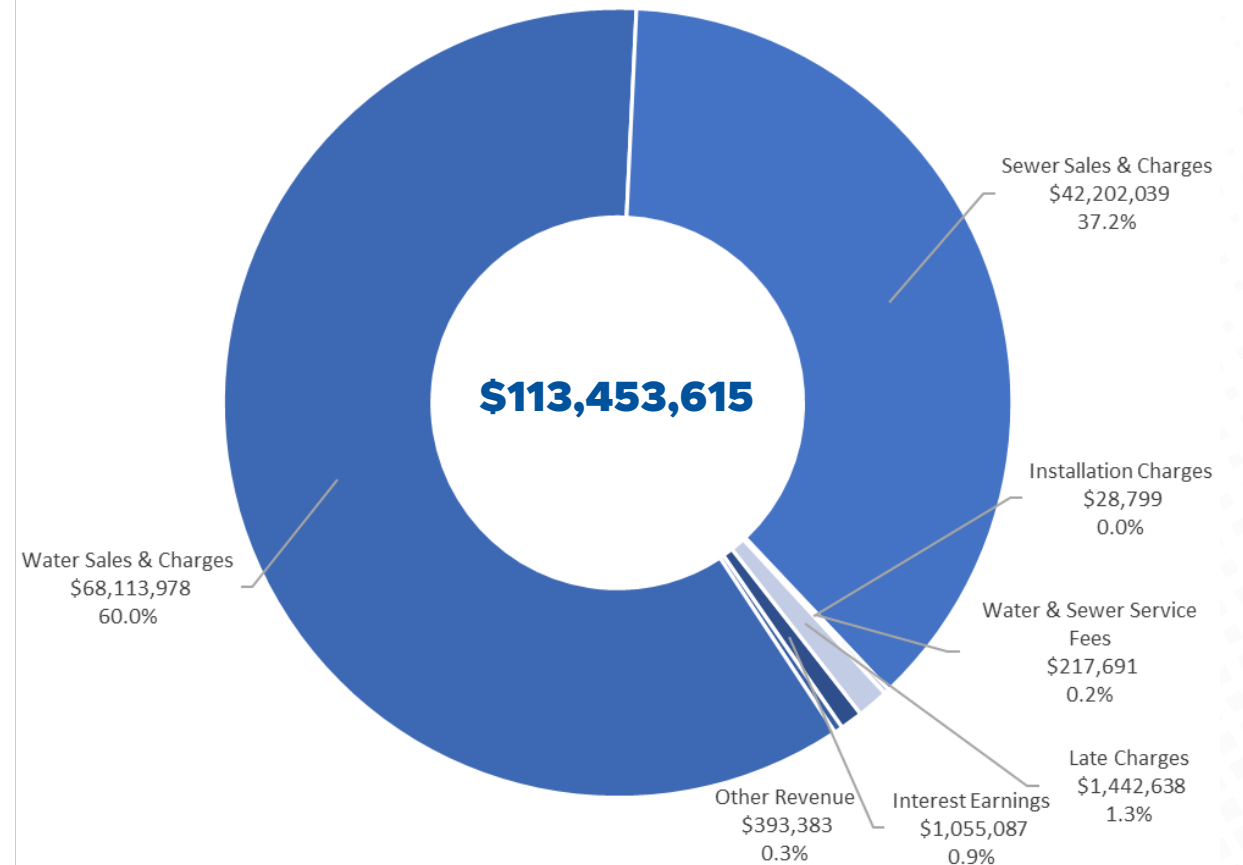


# WATER & SEWER FUND – REVENUES

**\$113,453,615**

Projected to increase **\$7.4 million** to **\$113.5 million** from Prior Year Budget

- 3.0% water and sewer rate increase covers:
  - 5.4% increase of the cost of wholesale water
  - 4.5% increase of sewer treatment costs
  - New EPA requirements associated with inspecting the system for lead and copper piping
  - Inflation pressures on operating expenses



# WATER & SEWER RATE INCREASE

- Projected **\$110.3 million** in revenue from Water Sales and Sewer Charges, includes a **3.0% increase** to both water and sewer rates, or **\$2.8 million** of the \$7.0 million total increase in revenue from these charges
  - The remaining revenue growth is a result of growth in the system

Water and Sewer Fund	Change/New	Change	Revenue Impact	Comment
Water Rates	Change	3.0%	\$1,719,589	Need Based
Sewer Rates	Change	3.0%	\$1,046,125	Need Based
			<b>\$2,765,714</b>	

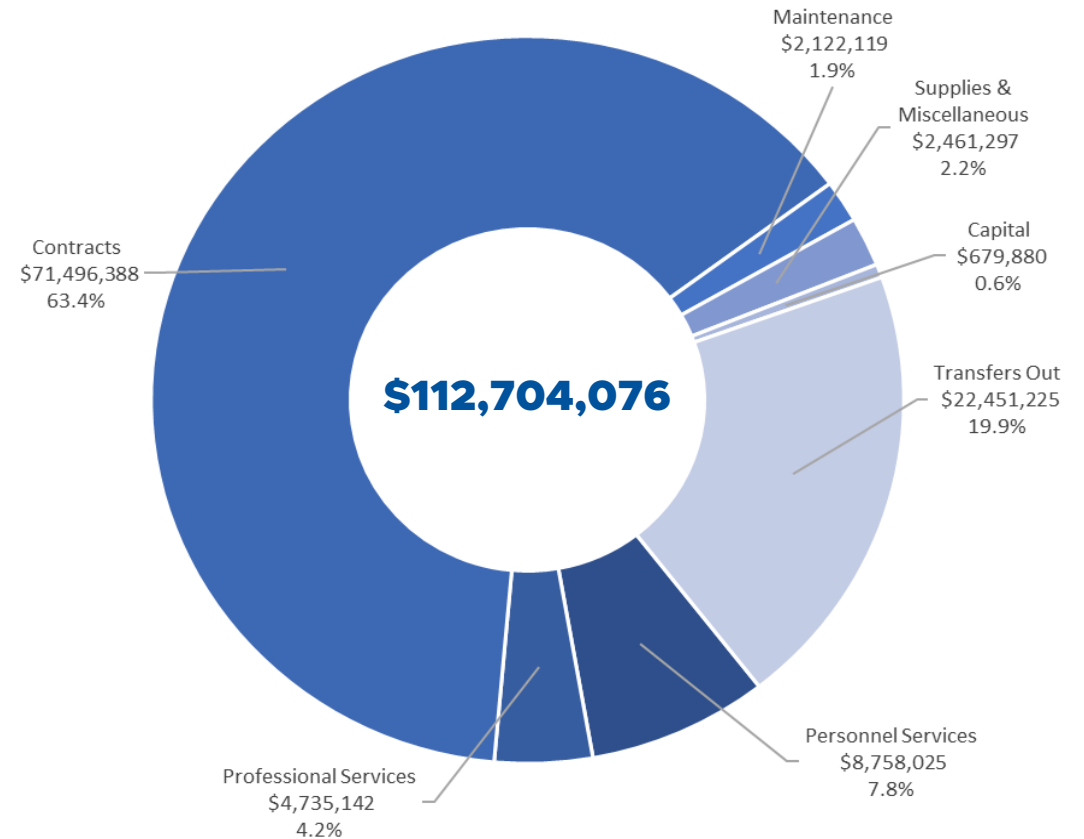
\* Proposed fee changes are included in presented numbers

# WATER & SEWER FUND- EXPENDITURES

**\$112,704,076**

Projected to increase **\$7.6 million** to **\$112.7 million** from Prior Year Budget

- 3.0% merit-based market pay plan adjustment for water and wastewater employees
- \$2.2 million increase in the cost of wholesale water
- \$1.2 million increase in the cost of sewer treatment
- Continued funding for Water Master Plan
- Funding for Capital Projects:
  - Debt Funded: \$17.425 million
  - Pay-As-You-Go Funding: \$1.427 million
- Budgeted at **90.99 days**



# FUND HIGHLIGHTS

## REVENUES

- 3.0% water and sewer rate increase to cover:
  - 5.4% increase of the cost of wholesale water
  - 4.5% increase of sewer treatment costs
  - New EPA requirements associated with inspecting the system for lead and copper piping
  - Inflation pressures on operating expenses
  - Continued funding for Water Master Plan
  - 3.0% merit-based market pay plan adjustment for water and wastewater employees

## WATER SYSTEM

- Total budget of \$48.5 million, an increase of \$2.7 million from the FY 2023-2024 adopted budget
  - Includes \$42.2 million for the purchase of wholesale water, an increase of \$2.2 million
  - Provides \$525,000 for EPA mandated system inspections for copper and lead piping
  - Includes \$528,000 for the repair and maintenance of fire hydrants, service connections, and water mains
  - Includes \$300,000 for alley, sidewalk, and street repairs during the process of paving cuts

# FUND HIGHLIGHTS

## SEWER SYSTEM

- Total budget of \$30.7 million, an increase of \$1.3 million from the FY 2023-2024 adopted budget
  - Includes \$29.0 million for the sewer treatment contracts, an increase of \$1.2 million
  - The industrial pre-treatment monitoring program is funded at \$221,000
  - Provides for sewer system maintenance materials: \$159,000

## SYSTEM MAINTENANCE

- Total budget of \$6.4 million, an increase of \$601,000
  - Funds the Capacity, Management, Operations and Maintenance program (CMOM) at \$3.6 million
  - Meter Shop and Construction combined are funded at \$2.8 million, an increase of \$586,000
  - Includes funding for the replacement of:
    - Replacement of a hydro excavation truck: \$400,000
    - Replacement of a utility service truck: \$75,000

# FUND HIGHLIGHTS

## ADMINISTRATION & CUSTOMER SERVICE

- Total budget of \$4.7 million, an increase of \$372,000 from the FY 2023-2024 adopted budget
  - Provides for the reading of water meters, as well as utility billing and collection services: \$1.5 million
  - Funds the City's Geographic Information System (GIS) division at \$716,000

## OTHER HIGHLIGHTS

- Provides \$9,022,000 in debt service support, an increase of \$821,000
- \$1,427,000 is programmed as cash-funded support of the City's Utility Capital Improvement Program



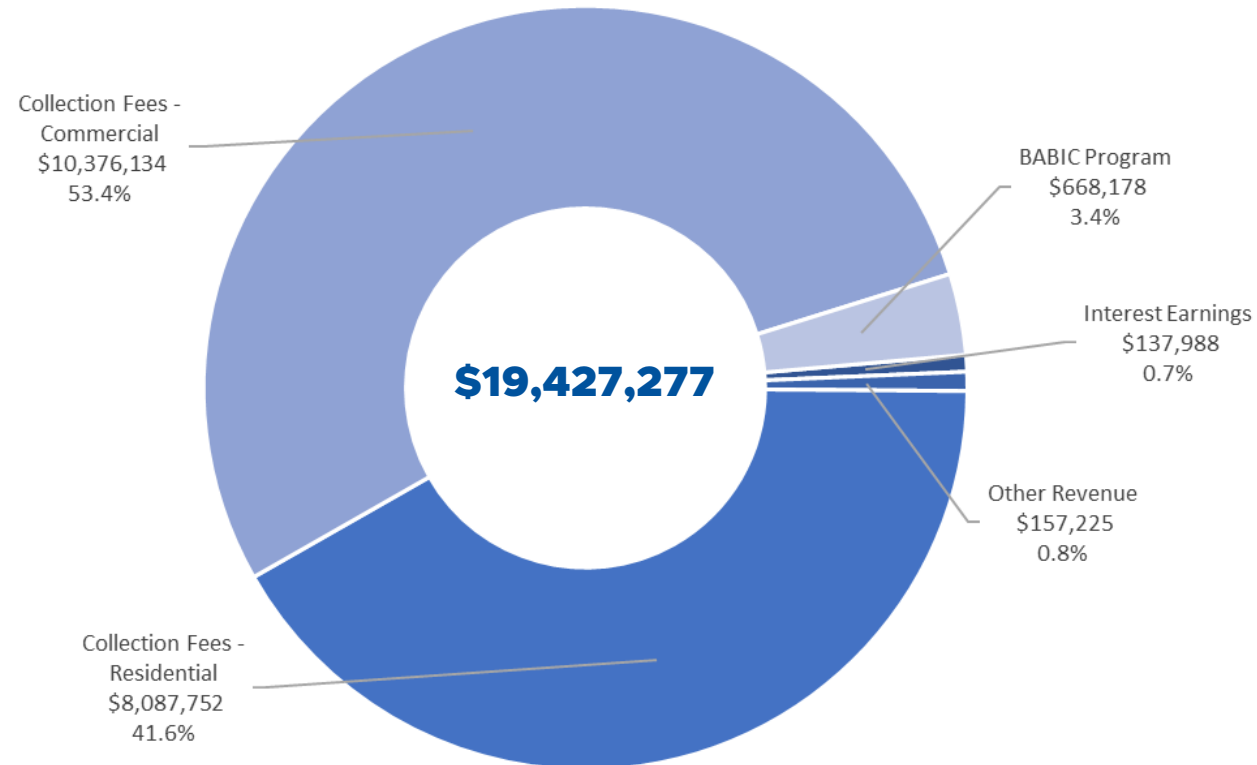
# SOLID WASTE FUND

# SOLID WASTE SERVICES FUND – REVENUES

**\$19,427,277**

Projected to increase **\$996,760** to **\$19.4 million**  
from Prior Year Budget

- \$2.00 (+ tax) per month rate increase to the residential solid waste rate covers:
  - Increased cost of temporary workers
  - Increased Debt Service Requirements
  - Continued funding for the Solid Waste Master Plan





## SOLID WASTE RATE INCREASE\*

- Projected **\$8.1 million** in revenue from Residential Collection Fees, includes a **\$2.00 increase** to residential rates, while maintaining the 26% senior discount. This accounts for **\$624,000** of the \$696,000 total increase in revenue from these charges

	Change/New	Change	Revenue Impact	Comment
Residential (Before Tax)	Change	\$2.00	\$503,448	Need Based
Residential - Senior (Before Tax and maintains 26% discount)	Change	\$1.47	\$120,481	Need Based
			<b>\$623,929</b>	

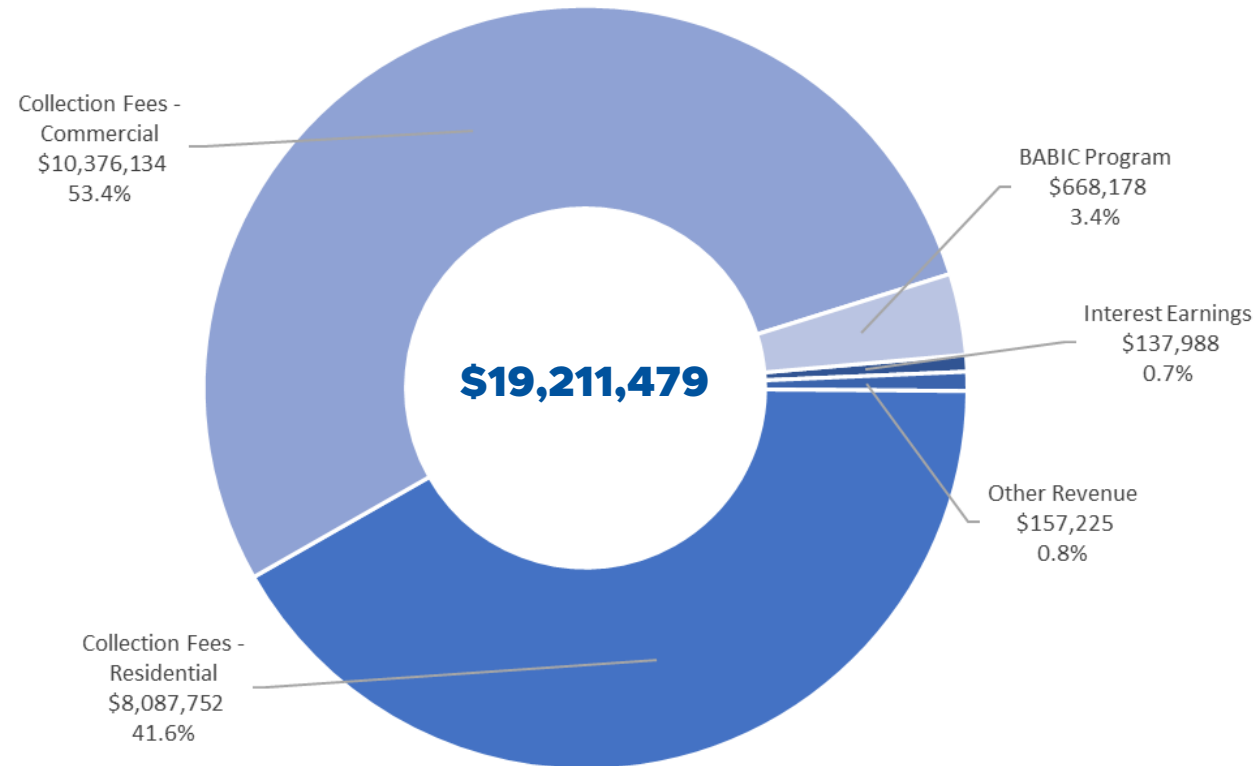
\* Proposed fee changes are included in presented numbers

# SOLID WASTE SERVICES FUND – EXPENDITURES

**\$19,211,479**

Projected to increase **\$997,555** to **\$19.2 million**  
from Prior Year Budget

- 3.0% merit-based market pay plan adjustment for solid waste employees
- \$1.875 million in short-term CO funding for the replacement of Solid Waste vehicles and commercial containers
- Budgeted at **90.99 days**



# FUND HIGHLIGHTS

## REVENUES

- \$2.00 (+ tax) per month rate increase to the residential solid waste rate to cover:
  - Increased cost of temporary workers
  - Continued funding for the Solid Waste Master Plan
  - 3.0% merit-based market pay plan adjustment for solid waste employees

## COMMERCIAL SOLID WASTE

- Total budget of \$4.0 million, an increase of \$18,000 from the FY 2023-2024 adopted budget
  - Includes \$2.5 million for landfill fees. Flat from the previous year
  - Debt funded capital replacements
    - Replacement of various sized commercial containers: \$105,800
    - Replacement of ½ ton pickup truck (qty. 1): \$55,000
    - Replacement of Front-Loader truck (qty. 1): \$425,000

# FUND HIGHLIGHTS

## RESIDENTIAL SOLID WASTE

- Total budget of \$7.8 million, an increase of \$181,000 from the FY 2023-2024 adopted budget
  - Includes \$1.4 million for landfill fees. Flat from the previous year
  - Funding for the City’s composting and recycling contracts
  - Debt funded capital replacements
    - Replacement of Rear-Loader trucks (qty. 3): \$945,000
    - Replacement of Knuckleboom truck (qty. 1): \$340,000

## ADMINISTRATION

- Total budget of \$999,000, a decrease of (\$82,000) from the FY 2023-2024 adopted budget
  - Provides funding for fund-wide expenditures like insurance premiums and radio maintenance

## OTHER HIGHLIGHTS

- Provides \$1,665,000 in debt service support, an increase of \$69,000
- \$253,500 is programmed to be transferred out at year-end to the capital reserve fund



RICHARDSON  

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TEXAS

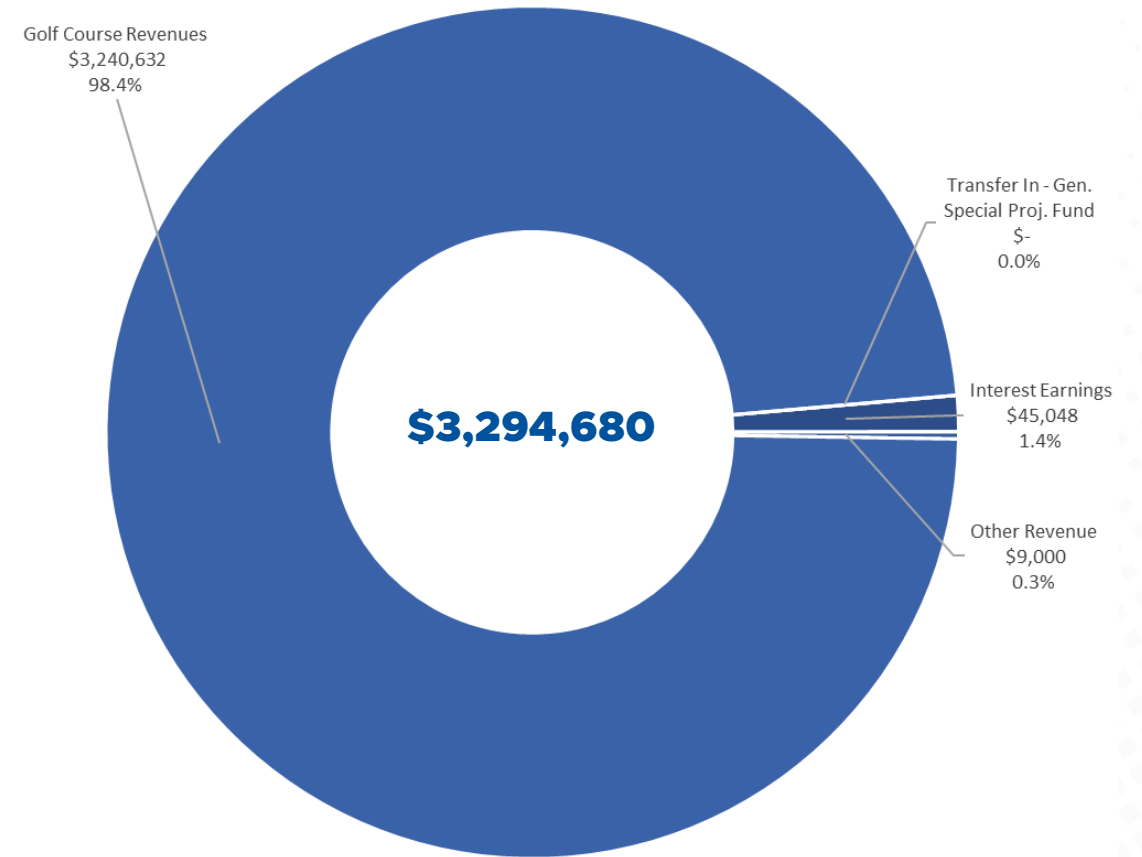
**GOLF FUND**

# GOLF FUND – REVENUES

**\$3,294,680**

Projected to increase **\$728,032** to **\$3.3 million**  
from Prior Year Budget

- Factors in the re-opening of Course #2 after its renovation during FY 2023-2024
- Includes several fee adjustments to better position Sherrill Park to cover operational costs, equipment needs and fund a capital maintenance reserve



# GOLF FEE CHANGES\*

Golf	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Cart Fee - 18 Hole	Change	\$16.24	\$18.00	\$1.76	\$66,797	
Cart Fee - 9 Hole	Change	\$11.91	\$14.00	\$2.09		
Green Fees - Course 1 - Weekday Rack Rate	Change	\$32.48	\$36.00	\$3.52	\$71,724	
Green Fees - Course 1 - Weekday 1st Twilight (11:30 A.M)	Change	\$23.81	\$25.00	\$1.19		
Green Fees - Course 1 - Weekday 2nd Twilight (4:00 P.M)	Change	\$21.65	\$22.00	\$0.35		
Green Fees - Course 1 - Weekend Rack Rate	Change	\$45.47	\$50.00	\$4.53		
Green Fees - Course 1 - Weekend 1st Twilight (11:30 A.M)	Change	\$30.31	\$35.00	\$4.69		
Green Fees - Course 1 - Weekend 2nd Twilight (4:00 P.M)	Change	\$23.82	\$25.00	\$1.18		
Green Fees - Course 1 - Senior/Junior	Change	\$21.65	\$22.00	\$0.35		
Green Fees - Course 2 - Weekday Rack Rate	Change	\$23.82	\$29.00	\$5.18	\$126,832	
Green Fees - Course 2 - Weekday 1st Twilight (11:30 A.M)	Change	\$17.32	\$21.00	\$3.68		
Green Fees - Course 2 - Weekday 2nd Twilight (4:00 P.M)	Change	\$15.16	\$18.00	\$2.84		
Green Fees - Course 2 - Weekend Rack Rate	Change	\$28.15	\$37.00	\$8.85		
Green Fees - Course 2 - Weekend 1st Twilight (11:30 A.M)	Change	\$21.65	\$25.00	\$3.35		
Green Fees - Course 2 - Weekend 2nd Twilight (4:00 P.M)	Change	\$17.32	\$23.00	\$5.68		
Green Fees - Course 2 - Senior/Junior	Change	\$17.32	\$20.00	\$2.68		
Driving Range - Small Bucket (30 balls)	Change	\$5.00	\$6.00	\$1.00	\$11,109	
Driving Range - Medium Bucket (60 balls)	Change	\$7.00	\$10.00	\$3.00		
Driving Range - Large Bucket (90 balls)	Change	\$9.00	\$12.00	\$3.00		
Discount/Punch Cards - Resident	Removed	\$200.00	\$0.00	(\$200.00)	TBD	Being discontinued September 30, 2024
Discount/Punch Cards - Senior/Junior	Removed	\$100.00	\$0.00	(\$100.00)	TBD	Will be honored for two years
Weekday - Course #1	New	\$20.00	\$24.95	\$4.95	TBD	
Weekend - Course #1	New	\$20.00	\$34.64	\$14.64	TBD	
Weekday - Course #2	New	\$15.00	\$20.09	\$5.09	TBD	
Weekend - Course #2	New	\$15.00	\$25.64	\$10.64	TBD	
Sr./Jr. Weekday - Course #1	New	\$10.00	\$13.21	\$3.21	TBD	
Sr./Jr. Weekday - Course #2	New	\$7.50	\$12.01	\$4.51	TBD	
					<b>\$276,462</b>	

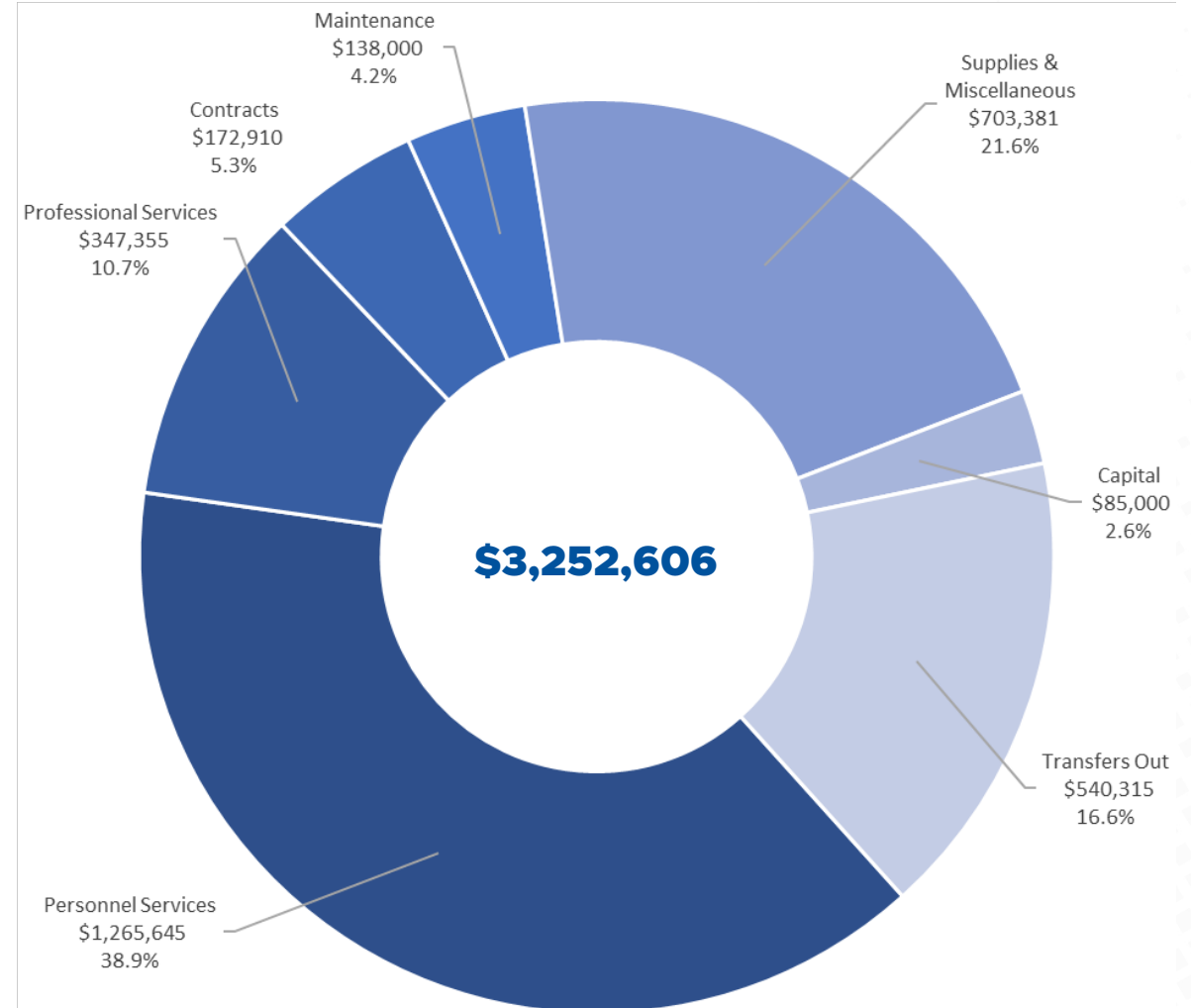
\* Proposed fee changes are included in presented numbers and are based on Course #2 not being open the full year

# GOLF FUND – EXPENDITURES

**\$3,252,606**

Projected to increase **\$460,410** to **\$3.3 million** from Prior Year Budget

- 3.0% merit-based market pay plan adjustment for Sherrill Park employees
- Includes the replacement of key maintenance equipment and provides funding for replacement greens covers and fence and cart path repairs
- Implementation of Phase 2 & 3 of Sherrill Park Master Plan via \$6.0 million Certificates of Obligation
- Budgeted at **60.99 days**





# FUND HIGHLIGHTS

## REVENUES

- Several fee adjustments to better position Sherrill Park to cover operational costs, equipment needs and fund a capital maintenance reserve
- Factors in the re-opening of Course #2 after its renovation during FY 2023-2024

## FUND HIGHLIGHTS

- Total budget of \$3.3 million, an increase of \$460,000 from the FY 2023-2024 adopted budget
- Factors in the re-opening of Course #2 after its renovation during FY 2023-2024
- Includes increased costs for the cart rental contract and for landscaping supplies
- Includes the replacement of key maintenance equipment and provides funding for fence and cart path repairs
- Implementation of Phase 2 & 3 of Sherrill Park Master Plan via \$6.0 million Certificates of Obligation



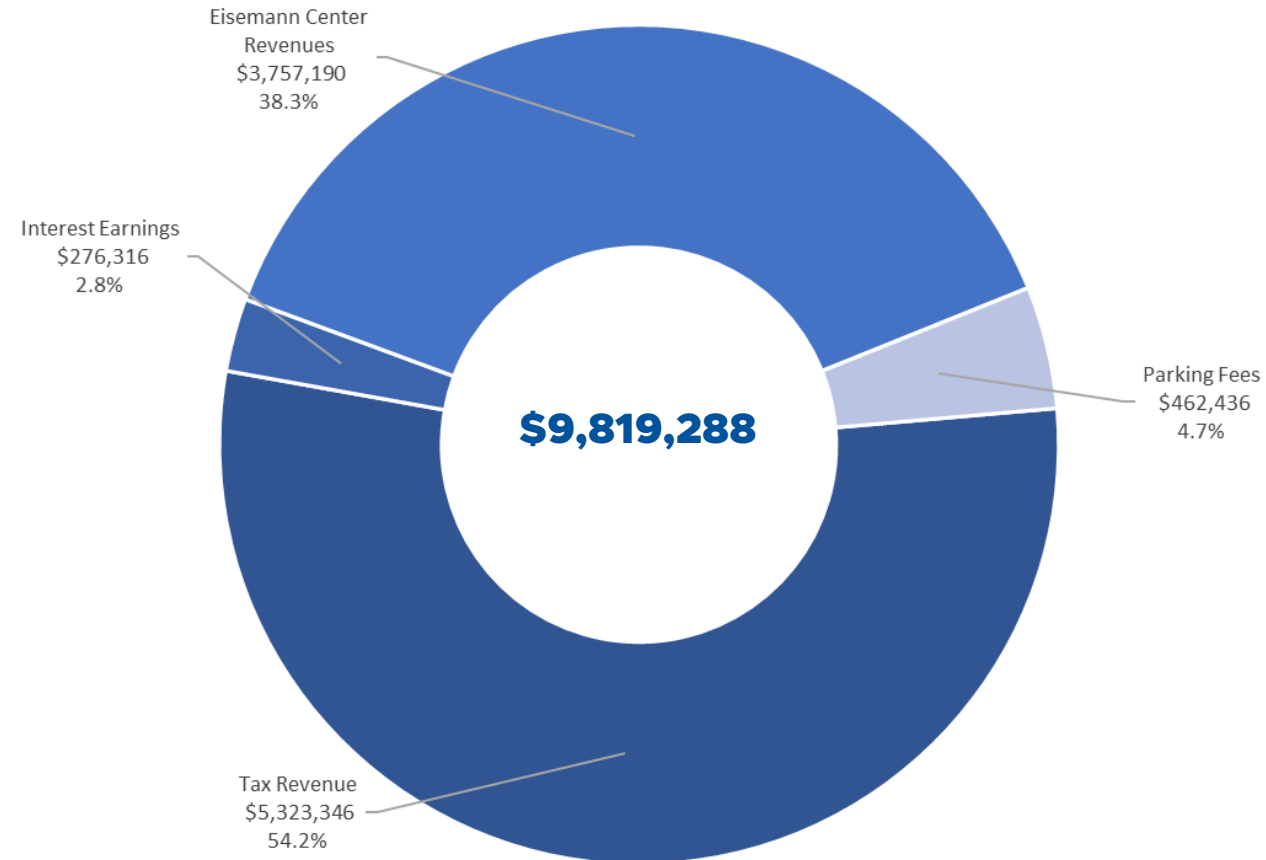
# HOTEL/MOTEL TAX FUND

# HOTEL/MOTEL TAX FUND – REVENUES

**\$9,819,288**

Projected to increase **\$919,426** to **\$9.8 million**  
from Prior Year Budget

- Hotel occupancy tax projected to increase 13.8% compared to the FY24 budget, as a result of increased occupancy rates and higher average daily rates (ADRs)
- Eisemann Center revenues projected to increase 5.5% compared to the FY24 budget due to increased rentals and a full Eisemann Center Presents series
- Includes fee changes totaling \$53,210



# HOTEL/MOTEL TAX FUND FEE CHANGES\*

Eisemann Center	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Custodial Service Charge - Non-Performance Day	New	\$0	\$113	\$113	\$11,250	Cost Recovery
Consumables Fee	New	\$0	\$100	\$100	\$20,000	Cost Recovery
Wireless Lavalier Microphone Fee	Change	\$50	\$75	\$25	\$2,500	Cost Recovery
Banquet Chairs	Change	\$0.50	\$1.00	\$0.50	\$500	Cost Recovery
Ticket Set-Up Fee	New	\$0	Varies	Between \$125 to \$200 per show	\$18,960	Cost Recovery
					<b>\$53,210</b>	

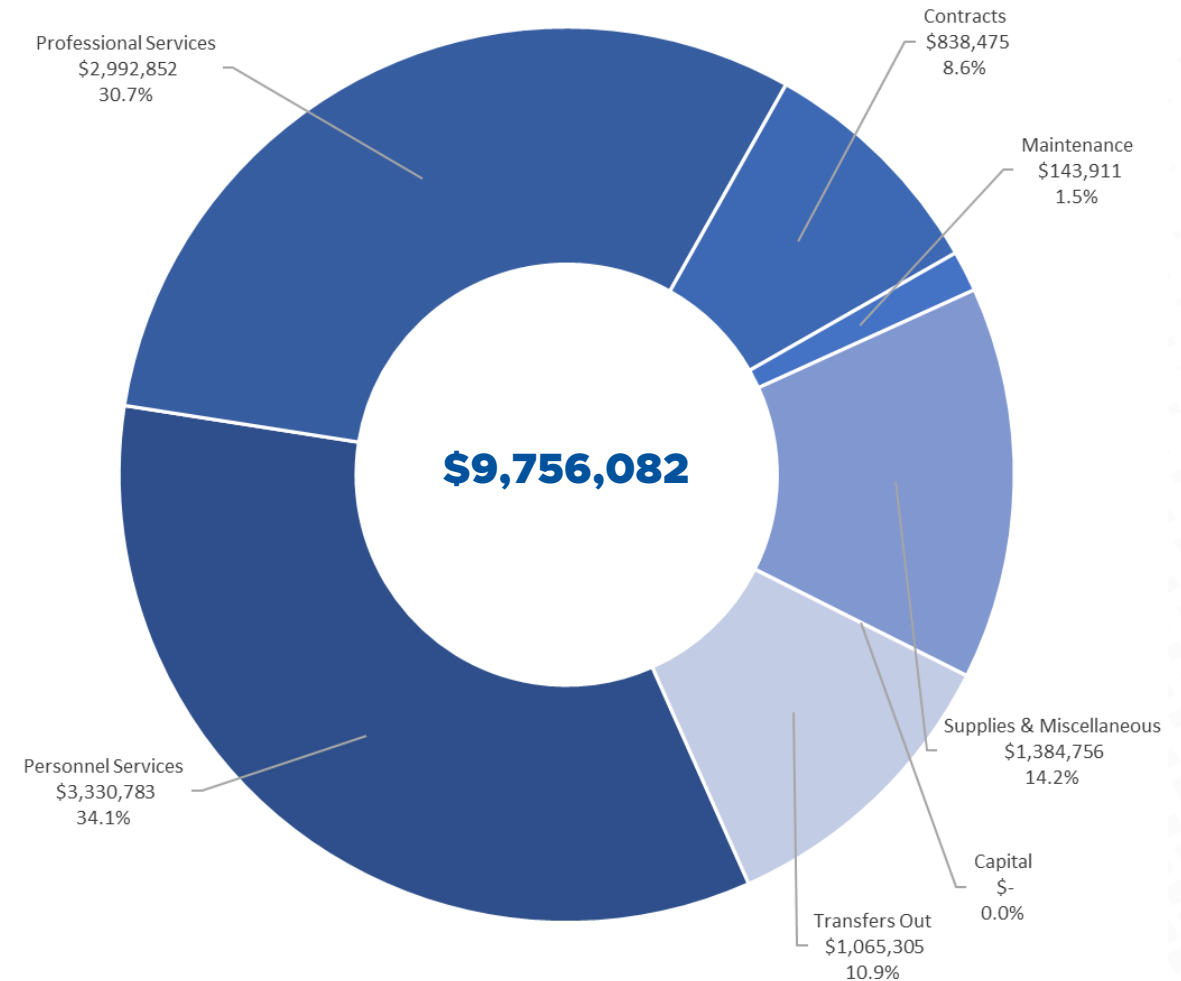
\* Proposed fee changes are included in presented numbers

# HOTEL/MOTEL TAX FUND – EXPENDITURES

**\$9,756,082**

Projected to increase **\$433,300** to **\$9.8 million**  
from Prior Year Budget

- FY 2023-2024 year-end reserves will be transferred to the Eisemann Facility Maintenance Fund to address deferred maintenance projects
- Transfer out to the General Special Projects Fund at the close of FY 2023-2024 in partial repayment of General Fund support during the COVID-19 pandemic
- Includes funding for increased rental activity at the Eisemann Center and for the full Eisemann Center Presents series as presented at the May 6 City Council Meeting
- Annual Arts Grants funding increased to \$375,000
- 3.0% merit-based market pay plan adjustment for Eisemann Center employees



# FUND HIGHLIGHTS

## REVENUES

- Hotel occupancy tax projected to increase 13.8% compared to the FY24 budget as a result of higher occupancy rates and higher average daily rates (ADR)
- Eisemann Center revenues projected to increase 5.5% compared to the FY24 budget due to increased rentals and a full Eisemann Center Presents series
- Includes year two of a multi-year evaluation of Eisemann Center fees and charges

## FUND HIGHLIGHTS

- Total budget of \$9.8 million, an increase of \$433,000 from the FY 2023-2024 adopted budget
- Provides for full funding of Eisemann Center Operations and a full Eisemann Center Presents Series
- Funds full operation of the Eisemann Center parking garage
  - FY 2024-2025 includes \$52,000 for the operation of the Eisemann Center's auxiliary garage location
- Annual Arts Grants funding programmed at \$375,000
- FY 2023-2024 year-end reserves will be transferred to the Eisemann Facility Maintenance Fund to address deferred maintenance projects
- Transfer out to the General Special Projects Fund at the close of FY 2023-2024 in partial repayment of General Fund support during the COVID-19 pandemic



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TEXAS

# **DRAINAGE FUND**

## DRAINAGE FEE INCREASE\*

- The FY2024-2025 Drainage Fund budget includes a **\$1.00** per month increase to the residential drainage fee to \$5.25 per month. The commercial drainage fee will increase from \$0.119 per 100 square feet of impervious area to **\$0.147** per 100 square feet of impervious area. This equates a 23.5% increase for both residential and commercial accounts.
- Cost pressures include:
  - Cost of new TCEQ requirements associated with storm water management
  - Expanded capital projects annual work plan
  - Increased cost of providing services: street sweeping, litter abatement, storm drain inspection and cleaning, storm drainpipe repairs, etc.

Drainage Fund	Change/New	Change	Revenue Impact	Comment
Residential Drainage Fee	Change	\$1.00	\$305,877	Need Based
Commercial Drainage Fee	Change	Equivalent	\$389,012	Need Based
			<b>\$694,889</b>	

\* Proposed fee changes are included in presented numbers





## **OTHER OPERATING FUNDS**

# REMAINING OPERATING FUNDS

## INTERNAL SERVICE FUNDS:

- Insurance and Flexible Spending Fund
- Central Services Fund
- Technology Replacement Fund (IT & Traffic Initiatives)

## SPECIAL REVENUE FUNDS\*:

- Drainage Fund
- Richardson Improvement Corporation Fund
- Judicial Efficiency Fund
- Municipal Court Technology Fund
- Municipal Court Jury Fund
- Juvenile Case Manager Fund
- Special Police Funds
- State Grant Funds
- Federal Grant Funds
- Municipal Court Building Security Fund
- Wireless 9-1-1 Fund
- Tax Increment Financing Fund #1 (TIF #1)
- Tax Increment Financing Fund #2 (TIF #2)
- Tax Increment Financing Fund #3 (TIF #3)
- Franchise PEG Fund
- Eisemann Edge Endowment Fund

\* Restricted: To be used and reported separately based on statute

Fund summaries for the Internal Service and Special Revenue can be found on pages 55-75 of the filed budget.



# TOTAL OPERATING BUDGET

# TOTAL OPERATING BUDGET

Total FY 2024-2025 budget is **\$406,078,754**, an increase of **\$7,074,458** or **1.8%** from FY 2023-2024

	ACTUAL 2022-23	BUDGET 2023-24	ESTIMATE 2023-24	BUDGET 2024-25	VARIANCE BUD to BUD EST to BUD	
<b>Expenditures and Transfers Out</b>						
<b>Operating Funds</b>						
General Fund	\$ 173,792,467	\$ 178,125,311	\$ 178,737,276	\$ 180,346,044	1.2%	0.9%
Water and Sewer Fund	103,622,523	105,059,411	109,699,321	112,704,076	7.3%	2.7%
Solid Waste Services Fund	17,332,729	18,213,924	18,347,145	19,211,479	5.5%	4.7%
Golf Fund	2,625,609	2,792,196	3,000,630	3,252,606	16.5%	8.4%
Hotel/Motel Tax Fund	6,906,691	9,322,782	11,023,630	9,756,082	4.6%	-11.5%
Internal Service Funds	18,523,593	20,209,258	21,163,522	22,605,219	11.9%	6.8%
Special Revenue Funds	27,368,304	51,507,157	32,482,427	40,411,399	-21.5%	24.4%
<b>Total Operating Funds</b>	<b>\$ 350,171,916</b>	<b>\$ 385,230,039</b>	<b>\$ 374,453,951</b>	<b>\$ 388,286,905</b>	<b>0.8%</b>	<b>3.7%</b>
<b>Debt Service Funds</b>						
General Debt Service Fund	\$ 44,482,304	\$ 47,521,971	\$ 47,521,971	\$ 51,711,529	8.8%	8.8%
Water and Sewer Debt Service Fund	7,439,952	8,155,071	8,153,636	9,059,798	11.1%	11.1%
Solid Waste Services Debt Service Fund	1,428,649	1,587,787	1,587,399	1,674,853	5.5%	5.5%
<b>Total Operating Funds</b>	<b>\$ 53,350,905</b>	<b>\$ 57,264,829</b>	<b>\$ 57,263,006</b>	<b>\$ 62,446,180</b>	<b>9.0%</b>	<b>9.1%</b>
<b>Total Expenditures and Transfers Out</b>	<b>\$ 403,522,821</b>	<b>\$ 442,494,868</b>	<b>\$ 431,716,957</b>	<b>\$ 450,733,085</b>	<b>1.9%</b>	<b>4.4%</b>
<b>Less Interfund Transfers</b>	<b>\$ (41,501,118)</b>	<b>\$ (43,490,572)</b>	<b>\$ (43,891,142)</b>	<b>\$ (44,654,331)</b>	<b>2.7%</b>	<b>1.7%</b>
<b>Net Expenditures</b>	<b>\$ 362,021,703</b>	<b>\$ 399,004,296</b>	<b>\$ 387,825,815</b>	<b>\$ 406,078,754</b>	<b>1.8%</b>	<b>4.7%</b>

Fund summaries for the Operating Funds can be found on pages 23-75 of the filed budget.

# CAPITAL AND DEBT PLANNING



# FY 2024-2025 DEBT PLAN

## DEBT PLAN SUPPORTS:

- Developing multi-year capital improvement plan; updated annually
- Continuing to utilize financial management strategies to maintain AAA bond rating
- Review outstanding debt annually for future refunding opportunities
- Year Four of the 2021 Bond Program
- Year Two of the 2023 Bond Program – City Hall
- June/July “Deep Dive” Work Session briefings
  - Water/Wastewater infrastructure needs
  - Transportation & Mobility work plan
  - Streets/Alleys infrastructure needs
  - Facilities Maintenance work plan
  - Annual vehicle/equipment needs for Fire and Solid Waste departments
  - Parks Maintenance work plan
  - Drainage Utility program



## FY 2024-2025 DEBT PLAN ISSUANCE FACTORS

- In the current interest rate environment, a refunding transaction is unlikely but will be reevaluated at the time of the sale
- Debt plan continues to use conservative interest rates ranging from 4.75% to 5.50% for future issuance
  - Series 2024 actual interest costs – 3.86% General Obligation Bonds, 3.81% Certificates of Obligation
- Taxable values – model assumes no future growth until Fiscal Year 2028 to account for economic uncertainties
- Assumes Fiscal Year 2025 CO issuance of \$2.435 million for Replacement Fire Apparatus
- Maintains capacity for future GO Bond Programs similar in size to the 2021 Bond Program

# FY 2024-2025 PROPOSED DEBT ISSUANCE

Purpose	Type	Life	Amount
2021 GO Program (Year 4)	GO Bonds	20 Year	\$54,150,000
2023 GO Program (Year 2)	GO Bonds	20 Year	\$ 9,520,000
Water/Wastewater Infrastructure	CO Bonds	15/20 Year	\$17,425,000
Solid Waste Equipment	CO Bonds	8 Year	\$ 1,875,000
Fire Equipment	CO Bonds	8 Year	\$ 2,435,000
Golf Course Facilities	CO Bonds	20 Year	\$ 6,000,000



## CAPITAL PROJECTS FUNDS






- Capital Projects – Capital Projects Funds
- Capital Projects – Special Projects Funds
- Capital Projects – Capital Replacement Fund
- Capital Projects – Street Rehabilitation Fund
- Capital Projects – Facility Maintenance Fund
- Capital Projects – Parks Maintenance Fund
- Economic Development Fund
- Water and Sewer Capital Projects Fund
- Water and Sewer Rate Stabilization Fund
- Water and Sewer Special Projects Fund
- Solid Waste – Capital Projects Fund
- Eisemann Center Capital Fund
- Golf Capital Fund

Fund summaries for the Capital Projects Funds can be found on pages 77-89 of the filed budget.



# FINAL THOUGHTS

# TYPICAL TAXPAYER IMPACT STATEMENT

Description		FY 2023-24 Cost	FY 2024-25 Proposed Cost	Annual Dollar Change	Typical Ratepayer Assumptions:
	Property Tax (City Portion)	\$1,970	\$2,102	\$132	FY24 Avg Taxable Value = \$351,191 FY25 Avg Taxable Value = \$387,624
	Water Charges	\$1,081	\$1,110	\$29	8,000 gal/month - Oct-May; 18,000 gal/month - Jun-Sep
	Sewer Charges	\$573	\$587	\$14	Based on 98% of water usage (7,840 per month)
	Drainage Fee	\$51	\$63	\$12	Flat monthly rate of \$5.25 per household
	Residential Solid Waste	\$300	\$326	\$26	Flat monthly rate of \$25.09 (+ tax) per household
	<b>Total:</b>	<b>\$3,975</b>	<b>\$4,188</b>	<b>\$213</b>	Equates to a 5.4% increase

# TAX RATE NOTICE

- The public hearing on the tax rate is set for September 9, 2024, and the notice of public hearing will be posted in accordance with State law in the Dallas Morning News
- The notice will also be posted on the City’s website

## Excerpt from the notice:

The 86th Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by City of Richardson last year to the taxes proposed to be imposed on the average residence homestead by City of Richardson this year.

	2023	2024	Change
Total tax rate (per \$100 of value)	\$0.56095	\$0.54218	(\$0.01877) or -3.35%
Average homestead taxable value	\$351,191	\$387,624	\$36,433 or 10.37%
Tax on average homestead	\$1,970	\$2,102	\$132 or 6.70%
Total tax levy on all properties	\$ 136,961,617	\$ 144,210,788	\$7,249,171 or 5.29%

- Recommendation: Adoption of the proposed tax rate of \$0.54218 per \$100 valuation for Fiscal Year 2024-2025

## NEXT STEPS

- September 9<sup>th</sup>: Public Hearing on Tax Rate
- September 16<sup>th</sup>: Public Hearing on Budget and vote to ratify tax increase reflected in the budget, adopt budget and adopt property tax rate for FY 2024-2025
- Ongoing: Periodic post-adoption updates

